JM FINANCIAL PRODUCTS LIMITED

JM Financial Products Limited (our "**Company**") was originally incorporated at Mumbai, Maharashtra as a private limited company on July 10, 1984 under the provisions of the Companies Act, 1956 with registration number 33397 of 1984 and with the name "**J.M. Lease Consultants Private Limited**". By virtue of section 43A of the Companies Act, 1956 our Company became a deemed public company with the name "**J.M Lease Consultants Limited**" and received a certificate of incorporation dated July 15, 1992 from the Registrar of Companies, Mumbai, Maharashtra. Our Company further became a Private Company with effect from August 17, 2001. Subsequently, by way of a fresh certificate of incorporation dated June 10, 2005 issued by the Registrar of Companies, Mumbai, Maharashtra, our Company's name was changed to "**JM Financial Products Private Limited**". Our Company was converted into a public limited company with the name "**JM Financial Products Limited**" and received a fresh certificate of incorporation consequent to change in status on June 28, 2010 from the Registrar of Companies, Mumbai, Maharashtra. Our Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, bearing registration no. B - 13.00178 dated March 2, 1998. For further details regarding changes to the name and registered office of our Company, see section titled "**History and Main Objects**" on page 109 of this Draft Shelf Prospectus.

Corporate Identity Number of our Company is U74140MH1984PLC033397
Registered and Corporate Office: 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai, Maharashtra 400 025, India
Tel: (+91 022) 6630 3030; **Fax**: (+91 022) 6630 3223; **Website**: www.jmfinancialproducts.com; **Email**: investorrelations.products@jmfl.com
Company Secretary and Compliance Officer: Ms. Reena Sharda; **Tel**: (+91 022) 6630 3030; **Fax**: (+91 022) 6630 3223; **Email**: investorrelations.products@jmfl.com

PUBLIC ISSUE BY JM FINANCIAL PRODUCTS LIMITED, ("COMPANY" OR THE "ISSUER") OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE ₹ 1,000 EACH AND / OR UNSECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH, ("NCDs") FOR AN AMOUNT AGGREGATING UPTO ₹ 2,000 CRORES ("SHELF LIMIT") HEREINAFTER REFERRED TO AS THE "ISSUE". THE UNSECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES WILL BE IN THE NATURE OF SUBORDINATED DEBT AND WILL BE ELIGIBLE FOR INCLUSION AS TIER II CAPITAL. THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHES, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH "TRANCHE ISSUE") WHICH SHOULD BE READ TOGETHER WITH THE DRAFT SHELF PROSPECTUS AND THIS SHELF PROSPECTUS (COLLECTIVELY THE "OFFER DOCUMENT"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED.

PROMOTER

Our Promoter is JM Financial Limited. For further details refer to the chapter "**Our Promoter**" on page 123 of this Draft Shelf Prospectus.

GENERAL RISK

Investors are advised to read the Risk Factors carefully before taking an investment decision in the Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer and the Issue including the risks involved. Specific attention of the investors is invited to the Risk Factors on pages 12 to 40 of this Draft Shelf Prospectus and "Material Developments" in the relevant Tranche Prospectus of any Tranche Issue before making an investment in such Tranche Issue. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Registrar of Companies at Maharashtra, located at Mumbai ("**RoC**") or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Shelf Prospectus read together with the Shelf Prospectus and the relevant Tranche Prospectus for a Tranche Issue contains and will contain all information with regard to the Issuer and the relevant Tranche Issue, which is material in the context of the Issue and the relevant Tranche Issue. The information contained in this Draft Shelf Prospectus read together with the Shelf Prospectus and the relevant Tranche Prospectus for a Tranche Issue is true and correct in all material respects and is not misleading in any material respect and that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Shelf Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated [ICRA]AA by ICRA for an amount of upto ₹ 2,000 crores vide its letters dated January 09, 2019 and have been rated "CRISIL AA/STABLE" by CRISIL for an amount upto ₹ 2,000 crores vide its letter dated January 03, 2019. The rating of the NCDs by ICRA and CRISIL indicates high degree of safety regarding timely servicing of financial obligations. The rating provided by ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to pages 376 to 398 of this Draft Shelf Prospectus for rating letter and rationale for the above rating.

PUBLIC COMMENTS

This Draft Shelf Prospectus will be filed with the BSE, pursuant to provisions of the Debt Regulations and will be open for public comments for a period of seven Working Days from the date of filing of this Draft Shelf Prospectus with the Designated Stock Exchange. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of our Company Secretary and Compliance Officer and Contact Person, Ms. Reena Sharda at the following address: 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai, Maharashtra 400 025, India, Tel: (+91 022) 6630 3030 ; Fax: (+91 022) 6630 3223; E-mail: investorrelations.products@jmfl.com/reena.sharda@jmfl.com. All comments must be received by the Issuer within 7 Working Days of hosting this Draft Shelf Prospectus on the website of the Designated Stock Exchange. Comments by post, fax and mail shall be accepted, however please note that all comments by post must be received by the Issuer by 5:00 p.m. on the 7th Working Day from the date on which this Draft Shelf Prospectus is hosted on the website of the Designated Stock Exchange.

LISTING

The NCDs offered through this Draft Shelf Prospectus, Shelf Prospectus along with the relevant Tranche Prospectus are proposed to be listed on BSE. For the purposes of the Issue, BSE shall be the Designated Stock Exchange. Our Company has received an 'in-principle' approval from BSE vide their letter no. • dated •.

COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see section titled "Terms of the Issue" starting on page 147 of this Draft Shelf Prospectus. For details relating to eligible investors please see "The Issue" on page 49 of this Draft Shelf Prospectus.

LEAD MANAGERS TO THE ISSUE

A.K. Capital Services Limited
30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021
Tel: (+91 22) 6754 6500
Fax: (+91 22) 6610 0594
Email: jmproducts2019@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ms. Shilpa Pandey / Mr. Krish Sanghvi
Compliance Officer: Mr. Tejas Davda
SEBI Registration No.: INM000010411

JM Financial Limited***
7th Floor, Cnergy
Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025
Tel: (+91 22) 6630 3030
Fax: (+91 22) 6630 3330
Email: jmfpl.ncd2018@jmfl.com
Investor Grievance Email: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Ms. Prachee Dhuri
Compliance Officer: Mr. Sunny Shah
SEBI Registration No.: INM000010361

Trust Investment Advisors Private Limited
109/110, Balarama, Bandra Kurla Complex, Bandra (E), Mumbai 400 051
Tel: (+91 22) 4084 5000
Fax: (+91 22) 4084 5007
Email: project.paris@trustgroup.in
Investor Grievance Email: customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Ms. Hani Jalan
Compliance Officer: Mr. Ankur Jain
SEBI Registration No.: INM000011120

REGISTRAR TO THE ISSUE

Karvy Fintech Private Limited (Formerly known as KPCL Advisory Services Private Limited)
Karvy Selenium Tower – B
Plot No. 31 & 32, Gachibowli Financial District,
Nanakramguda, Serilingampally, Hyderabad, Rangareddi – 500 032
Tel: 040 6716 2222
Fax: 040 2343 1551
Email: jmfpl.ncd1@karvy.com
Investor Grievance Email: einward.ris@karvy.com
Website: www.karvyfintech.com
Contact Person: Mr. Murali Krishna
SEBI Registration No.: INR000000221

DEBENTURE TRUSTEE**

IDBI Trusteeship Services Limited**
Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate,
Mumbai 400 001
Tel: (+91 22) 4080 7000
Fax: (+91 22) 6631 1776
Email: itsl@idbitrustee.com
Investor Grievance Email: response@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Mr. Jatin Bhat / Mr. Amit Mantri
SEBI Registration No.: IND000000460

ISSUE PROGRAMME*

ISSUE OPENS ON As specified in the relevant Tranche Prospectus

ISSUE CLOSES ON As specified in the relevant Tranche Prospectus

*The subscription list shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("**Board**") or the NCD Public Issue Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

**Under regulation 4(4) of the SEBI Debt Regulations, IDBI Trusteeship Services Limited has, by its letter dated October 23, 2018, given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

***In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the SEBI ICDR Regulations, JM Financial Limited will be involved only in marketing of the Issue.

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the Registrar of Companies, Maharashtra, located at Mumbai, in terms of Section 26 and 31 of the Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the section titled "*Material Contracts and Documents for Inspection*" beginning on page 243 of this Draft Shelf Prospectus.

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SECTION I: GENERAL

DEFINITIONS / ABBREVIATIONS

Company related terms

Term	Description
"We", "us", "our", "the Company", and "Issuer"	JM Financial Products Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai, Maharashtra 400 025, India.
AOA/Articles / Articles of Association	Articles of Association of our Company, as amended from time to time.
Astute	M/s. Astute Investments, a partnership firm of JM Financial Services Limited and JM Financial Commtrade Limited for the year 2015.
Astute Financial Statements	The reformatted standalone statement of assets and liabilities and the related reformatted standalone statement of profit and loss and cash flow statement of Astute as at and for the year ended March 31, 2015 as examined by the Astute Auditors.
Astute Auditors	Deloitte Haskins & Sells LLP, Chartered Accountants.
Board / Board of Directors	The Board of Directors of our Company and includes any Committee thereof from time to time.
Category I	(a) Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; (b) Provident funds and pension funds with a minimum corpus of ₹ 25 crores, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; (c) Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; (d) Resident Venture Capital Funds registered with SEBI; (e) Insurance companies registered with the IRDA; (f) State industrial development corporations; (g) Insurance funds set up and managed by the army, navy, or air force of the Union of India; (h) Insurance funds set up and managed by the Department of Posts, the Union of India; (i) Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 500 crores as per the last audited financial statements; (j) National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and (k) Mutual funds registered with SEBI.
Category II	(a) Companies within the meaning of Section 2(20) of the Companies Act, 2013; (b) Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; (c) Co-operative banks and regional rural banks; (d) Trusts including Public/private charitable/religious trusts which are authorised to invest in the NCDs; (e) Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; (f) Partnership firms in the name of the partners; (g) Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); (h) Association of Persons; and (i) Any other incorporated and/ or unincorporated body of persons.
Category III	High Net-worth Individual Investors ("**HNIs**") - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above INR 1,000,000 across all Options of NCDs in the Issue
Category IV	Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including INR 1,000,000 across all Options of NCDs in the Issue.
ESOP	Employee Stock Option Plan.
Equity Shares	Equity shares of face value of ₹ 10 each of our Company.
FID (structured financing)	Fixed Income Division (Structured Financing)
FID (real estate financing)	Fixed Income Division (Real Estate Financing)
Group Companies	(a) JM Financial Services Limited; (b) JM Financial Commtrade Limited; (c) JM Financial Properties & Holdings Limited; (d) CR Retail Malls (India) Limited; (e) JM Financial Institutional Securities Limited (formerly known as JM Financial Securities Limited); (f) JM Financial Capital Limited; (g) JM Financial Credit Solutions Limited; (h) JM Financial Asset Reconstruction Company Limited; (i) J.M. Financial & Investment Consultancy Services Private Limited; (j) JSB Securities Limited; (k) JM Financial Asset Management Limited; and (l) Infinite India Investment Management Limited.
JMFCL	JM Financial Commtrade Limited, step down subsidiary of our Company for the years 2014 and 2015.
JMFCL Auditors	M/s. Khimji Kunverji & Co.
JMFCL Standalone Financial Statements	The reformatted standalone statement of assets and liabilities and the related reformatted standalone statement of profit and loss and cash flow statement of JMFCL as at and for the years ended March 31, 2014 and 2015 as examined by the JMFCL Auditors.
JMFSL	JM Financial Services Limited, subsidiary of our Company for the years 2014 and 2015.
JMFSL Auditors	Deloitte Haskins & Sells LLP, Chartered Accountants
JMFSL Standalone Financial Statements	The reformatted standalone statement of assets and liabilities and the related reformatted standalone statement of profit and loss and cash flow statement of JMFSL as at and for the years ended March 31, 2014 and 2015 as examined by the JMFSL Auditors.
JMFHL / Subsidiary	JM Financial Home Loans Limited, a public limited company incorporated under the Companies Act, 2013 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai, Maharashtra 400 025, India.

Term	Description
JMFHL Auditors	Deloitte Haskins & Sells, LLP, Chartered Accountants
JMFHL Standalone Financial Statements	The reformatted standalone statement of assets and liabilities and the related reformatted standalone statement of profit and loss and cash flow statement of JMFHL as at and for the years ended March 31, 2017 and 2018 as examined by the JMFHL Auditors.
JMFHL Limited Review Financial Results	The unaudited standalone financial results for the nine months period ended December 31, 2018 of JMFHL.
Limited Review Financial Results	The unaudited standalone financial results for the nine months period ended December 31, 2018 of our Company.
Memorandum / MOA / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time.
NCD Public Issue Committee	The Committee constituted by our Board of Directors vide board resolution dated October 24, 2018
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934.
NPA	Non Performing Asset.
Promoter	JM Financial Limited (JMFL).
Reformatted Financial Statements	The reformatted standalone statement of assets and liabilities and the related reformatted standalone statement of profit and loss and cash flow statement of our Company, as at, and for the years, ended March 31, 2014, 2015, 2016, 2017 and 2018, as examined by the Statutory Auditors of our Company.
ROC	The Registrar of Companies, Maharashtra, located at Mumbai.
₹/ Rs./ INR/ Rupees	The lawful currency of the Republic of India.
Statutory Auditors	The current statutory auditors of the Company, M/s. Khimji Kunverji & Co, Chartered Accountants, Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013.

Issue related terms

Term	Description
Abidged Prospectus	A memorandum containing the salient features of the Shelf Prospectus and relevant Tranche Prospectus
Allotment / Allotted	Unless the context otherwise requires, the allotment of the NCDs pursuant to the Issue to the Allottees.
Allottee(s)	The successful applicant to whom the NCDs are being/have been allotted.
Applicant / Investor	The person who applies for issuance and Allotment of NCDs pursuant to the terms of the Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus and Abridged Prospectus and the Application Form for any Tranche Issue.
Application	An application for Allotment of NCDs made through the ASBA process offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Prospectus.
Application Form	An Application for Allotment of NCDs through the ASBA process, in terms of the Shelf Prospectus and respective Tranche Prospectus.
ASBA or "Application Supported by Blocked Amount"	The Application in terms of which the Applicant shall make an Application by authorising SCSB to block the Application Amount in the specified bank account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of an Applicant.
Base Coupon Rate	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Basis of Allotment	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in the Issue, at the Designated CDP Locations.
Coupon Rate / Interest Rate	The aggregate rate of interest payable in connection with the NCDs in accordance with the Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus(es).
Debt Application Circular	Circular no. CIR/IMD/DF-1/20/2012 issued by SEBI on July 27, 2012 and Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018.
Debentures / NCDs	Secured, Rated, Listed, Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each and / or Unsecured,

Term	Description
	Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each, for an amount of upto ₹ 2,000 crores, offered through this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus(es).
Debenture Holder (s) / NCD Holder(s)	The holders of the Secured and Unsecured NCDs whose name appears in the database of the relevant Depository.
Debt Listing Agreement	The erstwhile listing agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of debt securities of our Company.
Debenture Trust Deed	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the Secured NCDs issued under the Issue.
Demographic Details	The demographic details of an Applicant, such as his address, occupation, bank account details, Category, PAN for printing on refund orders which are based on the details provided by the Applicant in the Application Form.
Deemed Date of Allotment	The date on which the Allotment Committee of the Board approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board or the NCD Public Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL).
DP / Depository Participant	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of SCSBs which shall collect the Applications and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange at www.bseindia.com
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account in terms of the Shelf Prospectus and relevant Tranche Prospectus and the Public Issue Account Agreement.
Designated Intermediaries	The Members of the Syndicate, SCSBs, Trading Members, RTAs and CDPs who are authorized to collect Application Forms from the Applicants, in relation to the Issue.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange at www.bseindia.com
Designated Stock Exchange	BSE i.e. BSE Limited
Draft Shelf Prospectus	This Draft Shelf Prospectus dated February 01, 2019 filed with the Designated Stock Exchange for receiving public comments and with SEBI in accordance with the provisions of the Act/relevant provisions of the Companies Act, 2013 applicable as on the date of the Draft Shelf Prospectus and the SEBI Debt Regulations.
ICRA	ICRA Limited (formerly known as Investment Information and Credit Rating Agency of India Limited)
Insurance Companies	Insurance companies registered with the IRDA.
Issue	Public issue by the Company of Secured, Rated, Listed, Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each and / or Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each, for an amount of upto ₹ 2,000 crores in one or more tranches.
Issue Agreement	Agreement dated January 24, 2019 entered into by our Company and the Lead Managers.
Issue Opening Date	Issue Opening Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Closing Date	Issue Closing Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, as provided in the respective Tranche Prospectus.
ITAT	Income Tax Appellate Tribunal
IT Department	Department of Income Tax, Government of India
JMFL	JM Financial Limited.
Key Managerial Personnel	As defined under the Companies Act, 2013 and the rules and regulations promulgated thereunder, as amended from time to time, extracted below: "key managerial personnel", in relation to a company, means— (i) the Chief Executive Officer or the managing director or the manager; (ii) the company secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and (vi) such other officer as may be prescribed."
Lead Brokers	As defined in the relevant Tranche Prospectus for each Tranche.
Lead Managers	A.K. Capital Services Limited, JM Financial Limited* and Trust Investment Advisors Private Limited
Market Lot	1 NCD.
Members of the Syndicate	Lead Managers and the Lead Brokers.
Members of the Syndicate Bidding	Members of the Bidding Centres established for acceptance of Application Forms.

Term	Description
Centres	
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue.
Options / Series	As specified in relevant Tranche Prospectus.
Offer Document	The Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and the abridged prospectus.
Owned Fund	Paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.
Public Issue Account	Bank account opened with the Public Issue Account Bank by our Company under Section 40 of the Companies Act, 2013 and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
Public Issue Account Agreement	Agreement to be entered into amongst our Company, the Registrar, the Public Issue Account Bank, the Lead Managers, and the Refund Bank for blocking the Application Amounts in the ASBA Accounts, un-blocking the Application Amounts in the ASBA Accounts for the purposes or Allotment or refunds to the Applicants in relation to each Tranche Issue on the terms and conditions contained therein.
Public Issue Account Banks	As stated in the relevant Tranche Prospectus.
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under the relevant Tranche Prospectus. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange will be deemed as the Record Date.
Refund Bank	As stated in the relevant Tranche Prospectus.
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made.
Registrar Agreement	Registrar Agreement dated January 24, 2019 executed with the Registrar to the Issue.
Registrar to the Issue	Karvy Fintech Private Limited (formerly known as KPCL Advisory Services Private Limited)
Registrar and Share Transfer Agents or RTA	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Issue at the Designated RTA Locations.
SEBI Debt Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008, issued by SEBI, effective from June 06, 2008 as amended from time to time.
SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Secured NCDs	NCDs offered under this Issue which are redeemable and are secured by a charge on the assets of our Company of face value of ₹ 1,000 each.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time.
Shelf Limit	The aggregate limit of the Issue, being ₹ 2,000 crores to be issued under this Draft Shelf Prospectus, Shelf Prospectus through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus that shall be filed by our Company with the SEBI, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Specified Cities / Specified Locations	Bidding Centres where the Member of the Syndicate shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Stock exchange	BSE
Subordinated Debt	Fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed by the RBI.
Syndicate ASBA	Applications through the Designated Intermediaries.
Syndicate ASBA Application Locations	Bidding centres where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Syndicate SCSB Branches	In relation to Applications submitted to a Designated Intermediary, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Tier I capital	Tier I capital means, Owned Fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a non-deposit taking NBFC in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.
Tier II capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential

Term	Description
	loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) Subordinated Debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent it does not exceed Tier-I Capital.
Transaction Registration Slip or TRS or Acknowledgement Slip	The slip or document issued by any of the Designated Intermediaries as the case may be, to an Applicant upon demand as proof of registration of his Application.
Tripartite Agreement(s)	Tripartite agreement between the Company, Registrar to the Issue and CDSL dated July 20, 2016 and the tripartite agreement between the Company, Registrar to the issue and NSDL dated July 27, 2017.
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus.
Trading Members	Individuals or companies registered with SEBI as "trading members" who hold the right to trade in stocks listed on the Stock Exchanges, through whom investors can buy or sell securities listed on the Stock Exchange, a list of which are available on https://www.bseindia.com/members/MembershipDirectory.aspx (for Trading Members of BSE).
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche Prospectus(es)	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Trustees / Debenture Trustee	Trustees for the Debenture Holders in this case being IDBI Trusteeship Services Limited.
Unsecured NCDs	NCDs offered under this Issue which are subordinated and are not secured by any charge on the assets of the Company, which will be in the nature of Subordinated Debt and will be eligible for Tier II capital and subordinate to the claims of all other creditors.
Working Day	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

** In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the SEBI ICDR Regulations, JM Financial Limited will be involved only in marketing of the Issue.*

Industry related terms

Term	Description
ALM	Asset Liability Management
CRAR	Capital to Risk-Weighted Assets Ratio/ Capital Adequacy Ratio
ECGC	Export Credit Guarantee Corporation of India Limited
IBPC	Inter Bank Participation Certificate
KYC	Know Your Customer
LTV	Loan to Value Ratio
NBFC	Non Banking Financial Company
NBFC-ND	Non Banking Financial Company- Non Deposit Taking
NBFC-ND-SI	Non Banking Financial Company- Non Deposit Taking-Systemically Important
NPA	Non Performing Asset
NRI/Non-Resident	A person resident outside India, as defined under the FEMA
NSSO	National Sample Survey Organisation
PPP	Purchasing Power Parity
RRB	Regional Rural Bank
SCB	Scheduled Commercial Banks

Conventional and general terms

Term	Description
AADHAR	AADHAR is a 12-digit unique number which the Unique Identification Authority of India {UIDAI} will issue for all residents of India
AGM	Annual General Meeting
AS	Accounting Standards
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Companies Act, 1956	The erstwhile Companies Act, 1956, applicable prior to the commencement of the Companies Act, 2013
Companies Act, 2013	The Companies Act, 2013, to the extend notified by the Ministry of Corporate Affairs, Government of India and as amended from time to time
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
EPS	Earnings Per Share

Term	Description
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in the Company's sector of business as amended from time to time
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time
Financial Year / FY / Fiscal	Financial Year ending March 31
GDP	Gross Domestic Product
GoI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IND AS	Accounting Standard notified under the Companies (Accounting Standards) Rules, 2006, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
IT Act	The Income Tax Act, 1961, as amended from time to time
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992 as amended from time to time
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
TDS	Tax Deducted at Source
WDM	Wholesale Debt Market

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled "*Risk Factors*", "*Capital Structure*", "*Regulations and Policies*", "*History and Main Objects*", "*Statement of Tax Benefits*", "*Our Management*", "*Disclosures on Existing Financial Indebtedness*", "*Pending Proceedings and Statutory Defaults*" and "*Issue Procedure*" on beginning pages 12, 52, 207, 109, 63, 111, 132, 183 and 165 of this Draft Shelf Prospectus, respectively will have the meanings ascribed to them in such sections.

FORWARD-LOOKING STATEMENTS

This Draft Shelf Prospectus contains certain "forward-looking statements". These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "future", "goal", "plan", "contemplate", "propose", "seek to" "project", "should", "will", "will continue", "will pursue", "will likely result" or other words or phrases of similar import. All forward-looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks and assumptions that could significantly and materially affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- Compliance with various financial and other covenants under the loan agreements;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Dependency on our fellow subsidiary company, JM Financial Credit Solutions Limited for origination of loans in real estate segment;
- Significant operational and financial integration among the Group Companies;
- Our business is tied to the "JM Financial" goodwill and the brand name;
- Operation in an increasingly competitive financial services industry;
- Volatility in interest rates;
- Default or late or non-payment by or from our customers;
- Inability to effectively manage and sustain our rate of growth;
- Operation in a highly regulated industry and subject to various laws; and
- Downward revision in credit rating(s);
- Our ability to control or reduce the level of non-performing assets in our portfolio;

For further discussion of factors that could cause our actual results to differ, see the section titled "*Risk Factors*" on page 12 of this Draft Shelf Prospectus.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled "*Industry Overview*" and "*Our Business*". The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors and officers, nor any of their respective affiliates or associates or the Lead Managers have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI Debt Regulations, the Company and the Lead Managers will ensure that investors in India are informed of material developments between the date of filing the Shelf Prospectus with the ROC and the date of obtaining the listing and trading approval for the NCDs.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

In this Draft Shelf Prospectus, unless the context otherwise indicates or implies, references to "you", "offeree", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the prospective investors in this Offering, references to our "Company", the "Company" or the "Issuer" are to JM Financial Products Limited.

In this Draft Shelf Prospectus, references to "US$" is to the legal currency of the United States and references to "Rs.", "₹" and "Rupees" are to the legal currency of India. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions and all references to "India" are to the Republic of India and its territories and possessions, and the "Government", the "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise stated, references in this Draft Shelf Prospectus to a particular year are to the calendar year ended on December 31 and to a particular "fiscal" or "fiscal year" are to the Financial Year ended on March 31.

Unless otherwise stated all figures pertaining to the financial information in connection with our Company are on an unconsolidated basis.

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company's financial statements are prepared in accordance with Indian GAAP and the Companies Act, 2013, to the extent applicable.

In accordance with the roadmap on implementation of Indian Accounting Standards, our Company has adopted Ind AS as the applicable accounting standards from April 01, 2018. The Limited Review Financial Results and the JMFHL Limited Review Financial Results have been prepared in accordance with Ind AS and Regulation 52 of the SEBI LODR Regulations. Due to the transition from Indian GAAP to Ind AS from April 01, 2018, figures prior to March 31, 2018 are not comparable with the figures post April 01, 2018. Similarly, the figures in the Reformatted Standalone Summary Financial Statements upto March 31, 2018 due to implementation of the Ind AS are not comparable with the figures post April 01, 2018.

The Reformatted Standalone Summary Financial Statements are included in this Draft Shelf Prospectus. The examination reports on the Reformatted Standalone Summary Financial Statements, as issued by our Company's Statutory Auditors, M/s. Khimji Kunverji & Co, Chartered Accountants, Mumbai, are included in this Draft Shelf Prospectus at page 251 of the Section titled "*Financial Information*" at page 245 of this Draft Shelf Prospectus. Similarly, the JMFCL Standalone Financial Statements, as issued by the JMFCL Auditors are included in this Draft Shelf Prospectus at page 293 of the Section titled "*Financial Information*" beginning at page 245 of this Draft Shelf Prospectus; the JMFHL Standalone Financial Statements, as issued by the JMFHL Auditors are included in this Draft Shelf Prospectus at page 298 of the Section titled ""*Financial Information*" beginning at page 245 of this Draft Shelf Prospectus; the JMFSL Standalone Financial Statements, as issued by the JMFSL Auditors are included in this Draft Shelf Prospectus at page 320 of the Section titled ""*Financial Information*" beginning at page 245 of this Draft Shelf Prospectus; and the Astute Standalone Financial Statements, as issued by the Astute Auditors are included in this Draft Shelf Prospectus at page 364 of the Section titled "*Financial Information*" beginning at page 245 of this Draft Shelf Prospectus.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Industry and Market Data

There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Unless stated otherwise, all industry and market data used throughout this Draft Shelf Prospectus have been obtained from industry publications and certain public sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company

believes that the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been verified by us or any independent sources. Further, the extent to which the market and industry data presented in this Draft Shelf Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

Exchange Rates

The exchange rates (in ₹) of the USD are provided below:

(*in INR*) **Currency**	**As on December 31, 2018**	**As on March 31, 2018#**	**As on March 31, 2017**	**As on March 31, 2016**	**As on March 31, 2015**	**As on March 31, 2014****
USD	69.79	65.04	64.84	66.33	62.59	60.10

[*] *Source: RBI Reference Rate*

[#] *Exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 29, 2018 and March 30, 2018 being public holiday and March 31, 2018 being a Saturday.*

***Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.*

SECTION II: RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Draft Shelf Prospectus including the sections titled "Our Business" and "Financial Information" at pages 92 and 245 of this Draft Shelf Prospectus respectively, before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and result of operation could suffer, the trading price of the NCDs could decline and you may lose all or part of your interest and/or redemption amounts. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

This Draft Shelf Prospectus contains forward looking statements that involve risk and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward looking statements as a result of several factors, including the considerations described below and elsewhere in this Draft Shelf Prospectus.

Unless otherwise indicated, the financial information included herein is based on our Reformatted Standalone Financial Statements and Limited Review Financial Results included in this Draft Shelf Prospectus.

INTERNAL RISK FACTORS

1. ***We are required to comply with various financial and other covenants under the loan agreements that we are a party to. If we are not in compliance with the covenants contained in such loan agreements, our lenders could accelerate their respective repayment schedules, and enforce their respective security interests, which would lead to an adverse effect on our business, results of operations and financial condition.***

   We are required to comply with various financial and other covenants under the loan agreements that we are a party to, including but not limited to, amongst other things, obtaining, wherever applicable, prior consents from our existing lenders for further borrowings, including undertaking this Issue, maintenance of financial ratios and for creation of encumbrances over certain of our assets.

   Any breach of the covenants constitutes a default by our Company under the relevant financing documents and will entitle the relevant lenders to call a default against our Company and to enforce remedies under the terms of the financing documents, that include, amongst other things, acceleration of repayment of the amounts outstanding under the financing documents, enforcement of security interests created under the financing documents, and taking possession of the assets given as security pursuant to the financing documents. An event of default would affect our Company's ability to raise new funds or renew borrowings as needed to conduct our operations and pursue our growth initiatives. Further, such an event of default could also trigger a cross-default under certain other financing documents of our Company, or any other agreements or instruments of our Company containing a cross-default provision, which may have a material adverse effect on our Company's operations, financial position and credit rating.

   Consequently, our Company may have to dedicate a substantial portion of its cash flow from operations to make payments under the financing documents, thereby reducing the availability of our Company's cash flow to meet its working capital requirements and use for other general corporate purposes. Further, we cannot assure you that our Company will have sufficient funds to meet its obligations with respect to the NCDs, including paying interest to the NCD holders or redeeming the NCDs in a timely manner. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, our Company may be unable to pay its debts as they fall due.

2. ***Our Company, Subsidiary, Promoter and Group Companies are involved in certain legal and other proceedings (including criminal proceedings) that if determined against us, could have a material adverse effect on our business, financial condition and results of operations.***

   Our Company, Subsidiary, Promoter and Group Companies are involved in certain legal proceedings, including criminal proceedings and tax proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. For further details in relation to material legal proceedings, see the section titled "*Pending proceedings and Statutory Defaults*" at page 183 of this Draft Shelf Prospectus.

   While these matters are currently pending, we cannot assure you that an adverse order for the alleged offences will not be passed against us, for which we may be subjected to fines under applicable law. We also cannot assure you that our Promoter will not be held liable for alleged offences, which cannot be determined at this stage. These proceedings may divert our management's time and attention, and consume financial resources in our defence.

3. ***We are dependent on our fellow subsidiary company, JM Financial Credit Solutions Limited ("JMFCSL") for origination of loans in real estate segment. Any inability to originate loans for us will adversely impact the business operations of the Company.***

   As on December 31, 2018, real estate segment comprised 32.0% comprised of our total loan book. Our real estate loan book is originated by JMFCSL. Recently, the networth of JMFCSL has increased due to capital infusion in September 28, 2018. With an increase in its net worth, JMFCSL may reduce its dependence on the Company for loans in the real estate sector. This may result in a decline in the real estate loan book of our Company which may adversely impact our business operations and profitability.

4. ***Significant operational and financial integration among the group companies may adversely affect the credit rating issued to our NCDs.***

   The credit rating assigned by ICRA and CRISIL to the Issue is on a consolidated view and as a whole to JM Financial, its subsidiaries and affiliates. This is on account of close linkages among the Group Companies, common Promoter and senior management team, the shared brand name and strong financial and operational synergies. While we benefit from our relationship with JM Financial, its subsidiaries and affiliates, we cannot assure you that such rating will not be adversely affected in the future by events such as actions that are beyond our control, including adverse publicity from any other source. Any such damage, if not immediately and sufficiently remedied, can have an adverse effect on our business and results of operations and the credit rating issued to us.

5. ***Our business is tied to the 'JM Financial' brand name and goodwill. Any adverse impact on the brand name 'JM Financial' or any change in control of the Promoter or any other factor affecting the business and reputation may have a concurrent adverse effect on our reputation, business and results of operations.***

   Our business is tied to the 'JM Financial' brand name and goodwill and associated logo, which is registered as trademark in the name of J.M Financial & Investment Consultancy Services Private Limited ("**JMFICS**"), our promoter group company, and is currently being used by us pursuant to a letter of consent dated November 15, 2016 issued by JMFICS to us. Further, we have recently launched a tagline HUMAN RESOURCES Pragmatic | Professional | Progressive for our human resources department and the brand dwello under which we operate our real estate broking business, which is neither registered nor have we made any application to the Trademarks Registry for its registration.

   Any adverse impact of our goodwill or change in control of the Promoter may affect our reputation, business, financial condition and results of operations. Further, we benefit from our relationship with our Promoter and the JM Financial brand in many ways, such as reputation and experience. Our growth and future success is influenced, in part, by our continued relationship with our Promoter and the JM Financial brand. If we cease to benefit from these relationships for any reason, our business and growth prospects may decline and our business and results of operations may be adversely affected.

Negative public opinion about the financial services industry generally or about the 'JM Financial' brand name and our business specifically could materially adversely affect our ability to attract and retain customers, and may expose us to litigation and regulatory action. Such negative public opinion can result from factors from our or our third-party service providers' actual or alleged conduct and from actions taken by regulators and community organizations in response to such conduct. Although we take steps to minimize reputational risk in dealing with customers and other constituencies, we, as a large financial services organization with a high industry profile, are inherently exposed to this risk. Any adverse developments regarding the brand could materially and adversely affect our business financial condition and results of operations. Further, we depend on the brand recognition, and failure to maintain and enhance awareness of the brand would adversely affect our ability to retain and expand our customer base.

6. We operate in an increasingly competitive financial services industry, which creates significant pricing pressures and may adversely affect our net interest margins, income and market share. Further, our growth depends on our ability to compete effectively in this competitive environment.

The financial services market is being served by a range of financial entities, including traditional banking institutions, public sector banks, NBFCs and small finance banks.

Our competitors may have greater financial resources, may be larger in terms of business volume and customer base, have greater brand recognition among customers, better institutional distribution platforms and may have lower cost of funds compared to us. Some of them may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide and accordingly, may be more flexible and better positioned to take advantage of market opportunities. Moreover, as interest rate is a key factor driving a customers' decision in selecting a financier, competitors may offer loans at lower rates, owing to access to lower cost of capital, to retain market share. This competition is likely to further intensify as more and more international and domestic players enter into Indian financial services industry as a result of regulatory changes. Our future success will depend, to a large extent, on our ability to respond in a timely and effective manner to these competitive pressures. There can be no assurance that we will be able to compete successfully with such competitors and gain market share.

Our fund based activities compete based on a number of factors, including, cost effective sources of funding, successful implementation of new technologies, client relationships, reputation and performance of our professionals, market focus and the relative quality and price of our services and products, and managing operational costs. Further, variable or floating interest rate options, lower processing fees, monthly reset periods and financial advisors handling transactions are becoming increasingly common in the Indian financial sector, resulting in an increase in competition. Further, the Indian financial services industry is fragmented and is susceptible to low barriers to entry. This increases the risk of consolidation among our competitors and entry of other players in the market offering our product substitutes.

Our ability to compete in our fund based business effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost funding, and the interest rates at which we extend loans to our customers. Our ability to increase interest rates on the loans we extend, however, is limited by the increasing popularity of standardized and variable interest rate financing products, variable payment terms, bundled services and lower processing fees introduced by our competitors. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive financing sector. Our inability to compete effectively in the increasingly competitive market may adversely affect our net interest margins, income and market share.

Such competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures. Our business, financial condition, cash flows, results of operations and prospects may be materially and adversely affected if we are not able to maintain our market position, sustain our growth, develop new products or target new markets and customers. Further, the financial services industry in India is undergoing rapid and significant technological and other changes. We use technology in many aspects of our business. If we do not anticipate, innovate, keep pace with and adapt to technological and other changes impacting the Indian financial services industry, it could harm our ability to compete in the market, decrease the attractiveness of our products to customers and materially and adversely affect our business prospects. There can be no assurance that we

will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive finance industry. Increasing competition may adversely affect our net interest margins, income and market share. For further information, see "*Our Business*" on page 92 of this Draft Shelf Prospectus.

7. Any volatility in interest rates could adversely affect our net interest margin, financial performance and results of operations.

A substantial component of our income is the interest income that we receive from the loans we disburse. Our interest income is affected by any volatility in interest rates in our lending operations. Interest rates are highly volatile due to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, and domestic and international economic and political conditions.

If there is an increase in the interest rates that we pay on our borrowings, which we are unable to pass on to our customers, our margin may be affected which will in turn affect the profitability of our Company. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. We have borrowed through market linked debentures issued by our Company, fluctuations in interest rates could impact our borrowing cost. If there is a sudden or sharp rise in interest rates, we could be adversely affected by the decline in the market value of our securities portfolio. According to the terms of the rated market linked debentures, the principal amount is protected against erosion while the returns on the investment could vary, being linked to movements in one or more variables, such as equity/equity indices, commodity prices, sovereign debt securities and/or foreign exchange rate.

Our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and result of operations. Also, when interest rates decline, we are subject to greater re-pricing and prepayment risks as borrowers take advantage of the attractive interest rate environment. In periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to re-price loans. If we are required to re-price loans, it could adversely affect our profitability. If borrowers prepay loans, we will lose interest income expected from the loans over the course of their tenure and the return on our capital may be impaired if we are not able to deploy the received funds at similar interest rates. In addition, all housing finance providers in India are prohibited from charging pre-payment penalties on loans with variable interest rates granted to individual borrowers, which has led to balance transfer refinancing between lenders. Lenders, such as us, therefore usually witness high turnover of loans assets and face increased origination costs. If we are unable to recover the origination costs due to the short lifespan of the loans, our profitability could be adversely affected.

There can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our net interest margin.

8. Any default or late or non-payment by or from our customers could adversely affect our business, results of operations and financial condition. Any such defaults and late or non-payments would result in provisions or write-offs in our financial statements which may materially and adversely affect our asset quality, cash flows and profitability.

We offer a range of financial products and services which primarily involves providing credit, as a result of which we are subject to the risk of customer default including delays in repayment or non-payment of interest and/ or principal amounts. Such defaults may occur due to factors beyond our control, including developments in the Indian economy and the segments in which we operate movements in global markets, changes in interest rates and changes in regulations.

There is a risk of loan defaults and losses in the credit business in the event there are adverse economic conditions which may have a negative effect on the ability of our customers to make timely payments of their loans. If our customers fail to repay loans in a timely manner or at all, then our financial condition and results of operations will be adversely impacted. Any delay in enforcing on the collateral due to delays in enforcement proceedings before the Indian courts or due to any other reasons may lead to potential losses. We may also be required to make loss provisions in respect of loans to such customers in accordance with applicable regulations and, in certain cases, may be required to write-off such loans.

Our customers may default on their obligations as a result of various factors including bankruptcy, insolvency, lack of liquidity and/or failure of the business or commercial venture in relation to which such borrowings were sanctioned. Our profitability depends on our ability to evaluate the right income levels of our customers, assess the credit risks and to price our loans accordingly. Although we have robust risk management controls, there can be no assurance that our risk management controls will be sufficient to prevent future losses on account of customers default. We have previously faced certain instances of customers defaulting and/or failing to repay dues in connection with loans or finance provided by us. We have, in certain instances, initiated legal proceedings to recover amounts due from delinquent customers. For further information in relation to litigation, see "*Pending Proceedings and Statutory Defaults*" on page 183 of this Draft Shelf Prospectus.

9. An inability to effectively manage and sustain our rate of growth, or maintain operational efficiencies, may adversely affect our business and we may not be able to increase our revenues or maintain our profitability.

We have been achieving consistent growth in our operating performance. Our total revenue increased by 26.3% from ₹ 559.5 crore in fiscal 2016 to ₹ 706.4 crore in fiscal 2017 and further increased by 28.5% to ₹ 907.9 crore in fiscal 2018. Although we have maintained a consistent and stable growth, our prior growth rates may not be sustainable or need not be an accurate indicator of our future performance. Our ability to sustain our growth depends on various factors, including our ability to manage our growth and expand our customer base which will continue to place demands on our management and other resources and there is no assurance that these demands will be met successfully. There can be no assurance that we would be able to increase revenue or maintain profitability on a quarterly or an annual basis. If this occurs, our business prospects, financial condition and results of operations will be adversely affected.

Our growth exposes us to a wide range of risks, including business risks, such as the possibility that the number of our NPAs may grow faster than anticipated, as well as operational, fraud, regulatory and legal risks. There can be no assurance that we will be able to successfully pursue our growth strategies of expansion of our housing finance portfolio, cross-selling of our products to our existing customers or diversifying our funding profile and that pursuing these strategies will provide us the anticipated benefits in terms of growth and profitability. Further, we may be unable to develop adequate infrastructure or devote sufficient financial resources or develop and attract talent to manage our growth. Our inability to pursue these strategies successfully or at all, or an inability to manage our growth, may adversely affect our prospects. There can be no assurance that we will be able to sustain our growth strategy successfully or that we will be able to further expand our operations or our financing product portfolio.

10. We and our Subsidiary operate in a highly regulated industry and are subject to various laws and regulations and regulatory investigations which may have a material adverse effect on our business, financial condition or results of operation.

We and our Subsidiary are subject to a wide variety of banking and financial services laws, regulations and regulatory policies and a number of regulatory and enforcement authorities, including but not limited to, RBI, SEBI, RERA and NHB. We and our Subsidiary are subject to detailed regulation and supervision by these regulatory authorities and are also exposed to the constant changes in the regulations and policies formulated by such regulatory authorities.

Our fund based activities are primarily regulated by the RBI and are subject to the RBI's guidelines on the regulation of the NBFC-ND-SI, which includes, among other things, matters related to capital adequacy, exposure, other prudential norms, deployment of assets, requirement of net owned funds, borrowing limits, provisioning and credit ratings. The RBI also regulates the credit flow by banks to NBFC-ND-SI and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFC-ND-SI. The RBI's regulation of NBFC-ND-SI may change in the future which may require us to restructure our activities, incur additional costs or could otherwise adversely affect our business and financial performance. As an HFC, JMFHL is required to observe conditions laid down by the National Housing Bank under the housing finance companies (National Housing Bank) Directions, 2010, as amended from time to time ("**NHB Directions**"), and as set out in the license that has been granted to JMFHL by the NHB. The conditions include compliance with publicity and marketing requirements specified and non-acceptance of public deposits.

The NHB Directions also require HFCs to comply with a capital to risk (weighted) assets ratio, or capital adequacy ratio ("**CRAR**"), consisting of Tier I and Tier II capital and a statutory liquidity ratio ("**SLR**"). The RBI has provided certain incentives to the housing finance industry by extending priority sector status to housing loans, and reducing the risk weights applicable for affordable housing loans for the purpose of calculation of CRAR. In order to maintain a SLR as laid down by the NHB, HFCs are required to maintain a minimum percentage of their public deposits in the form of approved investments of which a specified percentage must be held in approved securities and in fixed deposits.

In order to provide enhanced control, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented. There can be no assurance that the RBI, SEBI, the GoI and/or the other regulators will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on NBFC-ND-SI, and consequently on our fund based activities. Any change in the rules applicable to us as an NBFC-ND-SI may adversely affect our business, financial condition and results of operations. Further, the RBI has not established a ceiling on the rate of interest that can be charged by NBFCs in the asset finance sector and requires that the board of directors of each NBFC to adopt an interest rate model that takes into account relevant factors such as the cost of funds, margin and risk premium. Moreover, currently there are no specific guidelines on whether NBFCs are required to comply with the provisions of state money lending laws that establish ceilings on interest rates.

In addition, we are also subject to the corporate laws, taxation laws and other laws in effect in India which require continued monitoring and compliance on our part. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments may adversely affect our business, results of operations and financial condition. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests could adversely affect our results of operations. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

11. There has been an instance of erroneous form filing by our Company with the RoC in relation to one of our directors. We cannot assure you that our Company will not be subjected to any liability on account of such error.

The statutory form filing made by our Company with the RoC, in the past, contains an error in relation to the appointment of our non – executive director, Mr. M. R. Umarji. In the *erstwhile* form 32 filed by our Company with the RoC for appointment as well as regularization of our non – executive director Mr. M.R. Umarji, the category of the director was erroneously selected as independent director. Although this error was inadvertent, there can be no assurance that our Company will not be subjected to any liability on account of this error. The imposition of any liability, penalty or fine levied on us on account of such error, could adversely affect our business and reputation.

12. Our Company is currently not in possession of certain of its secretarial records and filings. Accordingly, we cannot assure you that our Company will not be subject to any action, including monetary penalties, by the relevant regulatory authority in this regard.

We manage our internal compliance by monitoring and evaluating internal controls, and ensuring all applicable statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

Our Company is currently not in possession of a few of its secretarial records and filings for increase in the authorized share capital of our Company on September 1, 1986, March 29, 2006 and for allotment of shares on March 31, 2006. Accordingly, some of the information included in the section "*Capital Structure*" on page 52 of this Draft Shelf Prospectus is based on the minutes of the meeting available with our Company. While we believe that these secretarial records and filings were prepared and submitted to the relevant regulatory authority by our Company, wherever applicable, we cannot assure you that we will be able to locate these secretarial records and filings in the future. Accordingly, we cannot assure you that our Company will not be subject to any action, including monetary penalties by the relevant regulatory

authority on account of any non-availability of, any of our secretarial records and filings, which may adversely affect our reputation.

13. ***Non-compliance with RBI or NHB inspection / observations may have a material adverse effect on our business, financial condition or results of operation. Any adverse observations from such regulators could have a material adverse effect on our business, financial condition or results of operation.***

We are subject to periodic inspections by the RBI, NHB and other regulators. During the course of assessment, RBI advises on issues related to various risk and regulatory non-compliances, and during such inspections the RBI has in the past made certain observations regarding our business and operations including the discrepancy between the reported and assessed net owned fund and CRAR as on March 31, 2018, monitoring of security against the loans advanced to the customers and observations with respect to the corporate governance provisions. While we are in the process of responding to these observations issued by RBI on January 15, 2019, there can be no assurance that RBI will consider such steps to be adequate and treat the observations as being duly complied with. Further, inspection by the NHB is a regular exercise and is carried out periodically by the NHB for all housing finance institutions under provisions of the NHB Act. NHB conducts periodic inspections of our subsidiary's books of accounts and other records inter alia for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information which we may have failed to furnish on being called upon to do so. However, till date JMFHL has not been subject to any inspection by NHB.

While we attempt to be in compliance with all regulatory provisions applicable to us, in the event we are not able to comply with the observations made by the regulators, we could be subject to supervisory actions, which may have a material adverse effect on our reputation, financial condition and results of operations.

Additionally, we are required to make various filings with the RBI, SEBI, NHB, the MCA and other regulatory authorities pursuant to the provisions of RBI regulations, SEBI regulations, NHB Regulations, the Companies Act and other regulations. If we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

14. ***We may face asset-liability mismatches that could adversely affect our cash flows, financial condition and results of operations.***

We may face liquidity risks due to mismatches in the maturity of our assets and liabilities creating liquidity shortage or surplus and depending upon the interest rate movement, such situations may adversely affect our interest income from financing activities. If we are unable to obtain additional borrowings or to renew our existing credit facilities for matching tenures of our loan portfolio in a timely and cost-effective manner, or at all, it may lead to mismatches between our assets and liabilities, which could adversely affect our cash flows, financial condition and results of operations. As on December 31, 2018, we had long term borrowing amounting to ₹ 3,489.0 crore and short term borrowing ₹ 2,589.6 crore.

As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as working capital, bank loans, cash credit, short-term loans, commercial paper and non-convertible debentures. If we do not generate sufficient cash flow from operations to service our debt obligations and working capital requirements, it may have an adverse effect on our business prospects, financial condition and results of operations.

15. ***Our business requires substantial funds, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.***

Our liquidity and profitability are, in large part, dependent upon our timely access to, and costs associated with raising funds. Our funding requirements historically have been met from a combination of term loans, commercial paper, cash credit, privately placed non-convertible debentures, as well as equity contributions. Our finance costs were ₹ 276.2 crore, ₹ 373.3 crore, ₹ 275.0 crore, ₹ 344.1 crore, ₹ 488.9 crore and ₹ 394.2 crore in Fiscal 2014, 2015, 2016, 2017 and 2018 and the nine months period ended December 31, 2018 respectively. Our business depends and will continue to depend on our ability to access diversified low cost funding sources. As a financial services company, we face certain additional regulatory restrictions on our

ability to obtain financing. For example, recent regulatory developments have affected NBFCs' access to select funding sources, and have affected costs of borrowings. Our ability to borrow funds on acceptable terms and refinance existing debt may also be affected by a variety of factors, including our credit ratings, the regulatory environment and government policy initiatives in India, liquidity in the credit markets, the strength of the lenders from whom we borrow, the amount of eligible collateral and accounting changes that may impact calculations of covenants in our financing agreements. Changes in economic, regulatory and financial conditions or any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, which could adversely affect our liquidity and financial condition.

Pursuing our growth strategy and introducing new product offerings to our customers will have an impact on our long-term capital requirements. The market for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, liquidity in the market, developments in international markets affecting the Indian economy, investors' and/ or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. If we are unable to obtain adequate financing or financing on terms satisfactory to us and in a timely manner, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, financial condition and results of operations would be materially and adversely affected.

16. Increase in NPA level due to customer defaults impact the quality of our portfolio and our business may be adversely affected if we are unable to provide for such higher levels of NPAs.

We derive a significant portion of our revenue from interest income, which represented 74.6%, 77.1% , 82.9%, 86.4%, 88.7% and 90.4% of our total revenues in Fiscal 2014, 2015, 2016, 2017, 2018 and the nine months period ended December 31, 2018 respectively. Customer defaults could adversely affect our NPA levels and increase our provisions made for our NPAs, which could in turn adversely affect the results of operations of our fund based activities, cash flows and profitability. As of March 31, 2014, 2015 2016, 2017, 2018 and the nine months period ended December 31, 2018, our gross NPA ratios were 0.4%, 1.4%, 0.6%, 0.1%, 0.3% and 0.3% respectively, while our net NPA ratios were 0.2%, 1.1%, 0.4%, 0.0%, 0.2% and 0.2% respectively. However, there can be no assurance that our future NPA ratios will be consistent with ratios observed in the past, or at levels that will allow us to maintain profitability. Also, there can be no assurance that we will be able to maintain our NPA ratios at levels with the credit performance of our customers, or at which our credit and our underwriting analysis, servicing and collection systems and controls will be adequate. We may not be successful in our efforts to improve collections and/ or recover existing NPAs. In addition, we may experience greater defaults in principal and/ or interest repayments in future. Thus, if we are unable to maintain our level of NPAs, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected.

Moreover, there can also be no assurance that there will be no deterioration in our provisioning coverage as a percentage of gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. In the event of any further deterioration in our NPA portfolio, or if our provisioning coverage is insufficient to cover our existing or future levels of NPAs, our ability to raise additional capital and debt funds as well as our business prospects, financial condition and results of operations could be adversely affected.

In addition, any adverse regulatory developments relating to the assessment and recognition of NPAs and provisioning therefore may have an adverse effect on our financial performance. For example, the regulatory framework applicable to NBFCs in India was amended in November 2014 to require NBFCs such as ours to follow more stringent NPA evaluation criteria. Prior to Fiscal 2016, the RBI required NBFCs to classify an asset as an NPA when it had remained overdue for a period of six months or more. By a circular dated November 10, 2014 (which was subsequently incorporated in the Master Direction-NBFC-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016), the RBI announced that the asset classification norms for NBFCs are to be made consistent with those applicable to banks, in a phased manner, as follows: assets (other than lease-rental and hire purchase assets) become NPAs if they become overdue: (a) for five months or more in Fiscal 2016; (b) for four months or more in Fiscal 2017; and (c) for three months or more in Fiscal 2018. In addition, the overdue period for higher provisioning requirements are also expected to be reduced in a

phased basis. Our repayment schedules may not be adequate to cater to any losses that may arise out of similar unanticipated adverse regulatory developments. Growth of our business and AUM may be adversely affected in the event our NPA levels increase which could materially and adversely affect our business prospects, financial condition and results of operations.

17. Any downgrade in credit ratings could increase interest rates for refinancing outstanding debt, which would increase financing costs, and adversely affect future issuances of debt and the ability to borrow on a competitive basis, which could adversely affect our business, financial condition, results of operations and cash flows.

The cost and availability of capital depends partially on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. For information on our credit ratings, see "*Our Business – Credit Ratings*" on page 104 of this Draft Shelf Prospectus. Certain factors that influence our credit ratings may be outside of our control. Any downgrade in such credit ratings could increase interest rates for refinancing outstanding debt, which would increase financing costs, and would also adversely affect future issuances of debt and the ability to borrow on a competitive basis, which could adversely affect our business, financial condition, results of operations and cash flows. However, these ratings are not recommendations to buy, sell or hold securities and prospective investors should take their own decisions.

18. Asset quality in the wholesale lending business of real estate remains inherently vulnerable.

Asset quality of the wholesale lending business of real estate remains susceptible to the performance of the real estate sector and financial flexibility of borrowers. This business also entails high risks given the underlying borrower profile and large ticket size of loans. While JM Financial, its subsidiaries and affiliates have adequate origination, underwriting and credit monitoring systems, ability to maintain healthy asset quality in this business will remain a key rating monitorable.

19. We may not be able to recover our secured loans on a timely basis, or at all, and the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under such defaulted loans. Our inability to recover outstanding amounts under loans may adversely affect our business.

As on December 31, 2018, we had secured loans amounting to ₹ 6,290.6 crore and unsecured loans amounting to ₹ 402.8 crore (excluding impact of Ind AS adjustments and provisions). The value of the collateral securing our loans may fluctuate or decline due to factors beyond our control, including those affecting the Indian and global economy in general. While we ensure that there is a buffer for reduction in value, this may not be sufficient if the value of the collateral reduces significantly, in particular in cases of loans that are secured by highly depreciating assets, shares, properties or any other assets. We also extend loans to our clients against securities listed on stock exchanges as collateral and any default by a client, coupled with a downturn in the stock markets, could result in such security becoming unenforceable therby causing substantial losses for us. In the event our borrowers default on the repayment of loans, we may not be able to realize the full value of the collateral, defective title as security, prolonged legal proceedings, due to various reasons, including a possible decline in the realizable value of the collateral, pledge of spurious items as security, unavailability of a ready market and fraudulent actions by borrowers, or we may not be able to foreclose on collateral at all. Further, certain kinds of loans that are advanced by us are not secured by any assets.

In India, foreclosure on collateral may be subject to delays and administrative requirements that may result, or be accompanied by, a decrease in the value of the collateral. Foreclosure on collateral generally requires a written petition to an Indian court or tribunal. Although special tribunals have been set up for expeditious recovery of debts due to banks, any proceedings brought may be subject to delays and administrative requirements that may result in, or be accompanied by, a decrease in the value of the collateral.

A decline in the value of the security could impair our ability to realize the secured assets upon any foreclosure, which may require us to increase our provision for loan losses. In the event of a default with respect to any of these loans, the amounts we receive upon sale of the secured assets may be insufficient to recover the outstanding principal and interest on the loan. If we are required to re-value the assets securing a loan to satisfy the debt during a period of reduced asset values or to increase our allowance for loan losses, our profitability could be adversely affected, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

20. We have a limited operating history in our housing finance and SME lending business, which makes it difficult to accurately assess our future growth prospects.

While our lending business management team has many years of experience in relevant industries, we have limited experience in our housing finance and SME lending business, and our success is dependent on our ability to effectively implement these businesses, as the financial services industry, is a rapidly evolving industry that may not develop as expected. Assessing the future prospects of our business is challenging in light of both known and unknown risks and difficulties we may encounter and could place significant demands on the management team and our other resources.

Growth prospects in these businesses can be affected by a wide variety of factors including: competition from other traditional lenders; regulatory limitations on the products we can offer and markets we can serve; other changes in the regulation; access to important marketing channels including TV and mass media, search engine marketing and strategic partnerships with affiliates; changes in customer behavior; access to adequate financing; increasingly sophisticated fraudulent borrowing and online theft; challenges with new products and new markets; and fluctuations in the credit markets and demand for credit.

Any failure on our part to scale up our infrastructure and management to meet the challenges associated with implementing these businesses could cause disruptions to our operations and could be detrimental to our long- term business outlook.

21. The housing finance industry is competitive and increasing competition may result in declining margins of our Subsidiary if we are unable to compete effectively.

We face increasing competition from commercial banks. Interest rate deregulation and other liberalisation measures affecting the housing finance industry, together with increased demand for home finance, have further increased our exposure to competition. Banks and some of the HFCs have access to low-cost funds such as deposits which enable them to enjoy higher margins and/or offer finance at lower rates. However, non-deposit accepting HFCs such as of our Subsidiary are not permitted to accept deposits, a factor which can render us less competitive. Our ability to compete effectively with commercial banks and other HFCs will depend, to larger extent, on our ability to raise low-cost funding in the future. If we are unable to compete effectively with other participants in the housing finance industry, our business, results of operation and financial condition may be adversely affected.

Furthermore, as a result of increased competition in the housing finance industry, home loans are becoming increasingly standardised and terms such as floating rate interest options, lower processing fees and monthly rest periods are becoming increasingly common in the housing finance industry in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive housing finance industry. Increasing competition may have an adverse effect on our net interest margin, other income and subsidies offered by JMFHL through the affordable housing scheme, and, if we are unable to compete successfully, our market share may decline as the origination of new loans declines.

22. Our Subsidiary has recently obtained a license to operate as a non-deposit taking housing finance company from the National Housing Bank. If we are not successful in the housing finance business, we may lose some or all of the investments that we have made in it and our reputation, results of operations and financial condition may be adversely affected.

Our Subsidiary, JMFHL has ventured into the housing finance segment to provide home loans to retail customer with a focus on affordable housing segment. To this end, JMFHL has obtained a license to operate as a non-deposit taking housing finance company from the National Housing Bank on November 17, 2017. We may be required to capitalise JMFHL directly or through one or more of our subsidiaries in order to grow its housing finance business. We however, do not have substantial operating history in the housing finance business and we may face challenges in attracting and retaining talented professionals although that is a key element of our business strategy and capture a substantial share of housing finance segment and attract customers given the fierce competition in the housing finance market including the need to provide better and customized services and products to differentiate ourselves from the established players. We may face significant challenges in developing and institutionalizing our procedures and policies for that business.

If our housing finance business is unsuccessful, we may lose some or all of the investments that we make in JMFHL and our reputation, financial condition and results of operations could be adversely affected.

23. We have a high concentration of loans to certain customers and if a substantial portion of these loans were to become non-performing, the quality of our credit portfolio could be adversely affected.

We have a high concentration of loans to certain customers in FID (structured financing) and FID (real estate financing) segments. The credit losses on such exposures exposes us to increased credit risk and may lead to an increase in the level of our NPAs, which could in turn adversely affect our financial performance and the payment of interest and redemption of the NCDs.

24. Our Company operates in various segments such as FID (structured financing), FID (real estate financing), capital market financing and SME financing. Any default by a client coupled with a downturn in the stock markets or any other specific sector could result in substantial losses for our Company.

Our Company operates in four business segments viz. FID (structured financing), FID (real estate financing), capital market financing and SME financing. As on December 31, 2018, exposure to each of this segment was 45.2%, 32.0%, 17.9% and 4.9% respectively. While certain loans are secured by liquid, marketable securities at an appropriate or pre-determined margin levels, loan against property and real estate financing are secured against the mortgaged properties. In the event of a volatile stock market or adverse movements in stock prices, or any downturn in the real estate sector or any other specific sector, the collateral which secures the loans may decrease significantly in value, which might result in losses which our Company may be unable to support. Customers could default on their obligations to our Company as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. Although our Company has adequate risk management system and follows stringent internal risk management guidelines for certain business segments, there can be no assurance that in the event the financial markets witness a significant adverse event or a general downturn, our Company's financial condition, cash flows and results of operations would not be adversely affected.

25. The real estate industry in India has witnessed significant downturns in the past, and any significant downturn in the future or any adverse developments in the real estate sector could adversely affect our business, financial condition and results of operations.

Economic developments within and outside India adversely affected the property market in India and our overall business in the recent past. The global credit markets have experienced, and may continue to experience, significant volatility and may continue to have an adverse effect on the availability of credit and the confidence of the financial markets, globally as well as in India. As a result of the global downturn, the real estate industry also experienced a downturn. It resulted in an industry-wide softening of demand for property due to a lack of consumer confidence, decreased affordability, decreased availability of mortgage financing, and resulted in large supplies of apartments. As part of our fund based activities, we extend credit to developers engaged in the real estate projects. In certain cases, our collateral value against the loans is based on value of property.

As a result, we depend on the performance of the real estate sector in India and could be adversely affected if market conditions deteriorate. The real estate business is in turn significantly affected by changes in government policies, grant of statutory/ regulatory approvals, economic and other conditions, such as economic slowdowns, demographic trends, employment levels, availability of financing, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur. Further, any delay in the grant of necessary approvals for construction or any delay in construction by developers would lead to an adverse impact on our sales, collection and receivables. These factors can adversely affect the demand for, and pricing of, our investments in the real estate sector and may materially and adversely affect our financial condition, results of operations and cash flows. There can be no assurance that our real estate investments will grow, or will not decrease, in the future. Any such reduction in demand could have an adverse effect on our business, results of operations, financial condition and cash flows.

Even though the global credit and the Indian real estate markets have shown signs of recovery, market volatility and economic turmoil may continue to exacerbate industry conditions or have other unforeseen

consequences, leading to uncertainty about future conditions in the real estate industry. These effects include, but are not limited to, a decrease in the sale of, or market rates for, projects financed by us, delays in the release of certain of such projects in order to take advantage of future periods of more robust real estate demand and the inability of project contractors to obtain working capital. There can be no assurance that the government's responses to the disruptions in the financial markets will restore consumer confidence, stabilize the real estate market or increase liquidity and availability of credit. Any significant downturn in future would have an adverse effect on our business, financial condition and results of operations.

26. We also extend loans to real estate developers for acquisition of land parcels which are at a nascent stage and have not received regulatory approvals with respect to development of such land parcels.

As regards our loans extended to real estate developers which are utilised for the acquisition of land parcels, such land parcels may be at a nascent stage of development and may, in some cases, be pending receipt of regulatory approvals required for construction. Any delay or failure to obtain any regulatory approvals may extend the expected timelines for development and result in a delay in payments of interest and/ or principal from these borrowers.

27. Our business operations are heavily reliant on our information technology and telecommunication systems. Any failure of or disruptions/ security breach in our systems, inability to adapt to the technological changes could have an adverse impact on our business, operations and financial condition.

Our business is largely dependent on our information technology systems to record and process accurately a large number of transactions on a daily basis and in a timely manner and our ability to maintain and upgrade our information technology systems and infrastructure. The proper functioning of our financial, trading, risk management, accounting, customer database, customer service and other data processing systems in our computer systems and networks, along with the communications networks linking our information technology systems with relevant exchanges, banks, depositories, registrar and transfer agents and customer interfaces, is critical to our business and our ability to compete effectively. We also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, servers, software, including software licensed from vendors and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft including customer data, employee data and propriety business data, for which we could potentially be liable. Our financial, trading, customer database, customer service, accounting or other data processing systems and management information systems or our corporate website may fail to operate adequately or become disabled as a result of events that may be beyond our control, including a disruption of electrical or communications services. Our business activities would be materially disrupted in the event of a partial or complete failure of any of these information technology systems, communication networks or their backup systems and procedures.

We rely on our information technology systems for processing securities transactions. Any prolonged disruption to, or failure of, our information processing or communications systems would limit our ability to process transactions. This would impair our ability to service our customers, which could materially and adversely affect our competitiveness, financial condition, cash flows and results of operations. Further, the information available to and received by us through our existing systems may not be sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies, and render us liable to regulatory intervention or damage to our reputation. Our hardware and software systems are also subject to damage or incapacitation by human error, natural disasters, power loss, lack of capacity during peak trading times or times of unusual market volatility, sabotage, computer viruses and other similar events. The occurrence of any such events may adversely affect our business, results of operations and financial condition.

In the event we experience system interruptions, errors or downtime (which could result from a variety of causes, including changes in customer use patterns, technological failure, changes to systems, linkages with third-party systems and power failures), we may be unable to develop necessary technology to compensate for these interruptions, which may materially and adversely affect our business, financial condition and results of operations.

28. Our risk management measures and internal controls, may not be fully effective in mitigating our risks in all market environments or against all types of risks, which may adversely affect our business and financial performance.

We are exposed to a variety of risks, including liquidity risk, interest rate risk, market credit risk, operational risk, regulatory and compliance risk, business and continuity risk and legal risk. We have established a system of risk management and internal controls consisting of an organizational risk management framework, policies, risk management system tools and procedures that we consider to be appropriate for our business operations, and we have continued to enhance these systems. For further information, see "*Our Business – Risk Management*" on page 105 of this Draft Shelf Prospectus. However, in case of any inherent limitations in the design and implementation of our risk management system, including internal controls, risk identification and evaluation, effectiveness of risk control and information communication, our risk management systems and mitigation strategies may not be adequate or effective in identifying or mitigating our risk exposure in all market environments or against all types of risks.

The effectiveness of our risk management is limited by the quality and timeliness of available data. Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour and information that is accessible regarding financial markets, customers or other relevant matters that are publicly available. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Inaccuracy in estimates of the level of margin to be maintained by our customers with us for the transactions undertaken by them could result in a shortfall in margins deposited by our customers with us, which may adversely affect our financial condition.

Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Operational risks can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. In addition, some of our transactions expose us to the risk of misappropriation or unauthorized transactions by our employees and fraud by our employees, agents, customers or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Furthermore, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

As we expand our retail credit portfolio, some of our customers may not have any credit history supported by tax returns, profit and loss and cash flow statement, bank or credit card statements, statements of previous loan exposures, private borrowing details or other related documents, and may only be able to furnish limited information for us to assess their creditworthiness accurately. In addition, we may not receive updated information regarding any change in their financial condition or may receive inaccurate, wrong or incomplete information as a result of any fraudulent misrepresentation. It is therefore, difficult to carry out accurate credit risk analyses on our customers.

Although we have established policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and industry standards and practices on a cost-effective and timely basis. The development and implementation of standards and practices entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards.

29. We are dependent on our senior management and other key personnel, and the loss of, or our inability to attract or retain, such persons could adversely affect our business, results of operations, financial condition and cash flows.

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management, in particular, and other key personnel are valuable for the development of our business and operations and the strategic directions taken by our company. For further information on the experience of our key management personnel, see "*Our Management*" on page 111 of this Draft Shelf Prospectus. There can be no assurance that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and/or retaining the employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, results of operations, financial condition and cash flows.

30. Security provided for the Issue may not be enforceable if the security provided for the Issue is classified as 'Assets' under the IT Act and will be void as against any claim in respect of any tax or any other sum payable by our Company.

We have certain proceedings pending under the IT Act before the Income Tax Appellate Tribunal. Under section 281 of the IT Act and circular bearing number 04/2011 dated July 19, 2011, our Company is required to obtain prior consent of the assessing officer to create the security provided for the Issue to the extent classified as assets under section 281 of the IT Act. During the pendency of such proceedings, we have made an application to the relevant assessing officer seeking such prior consent on January 4, 2019 and have received acknowledgment in relation to the same. In the event that such consent is revoked, the security provided for the Issue to the extent classified as 'Assets' under section 281 of the IT Act will be void as against any claim in respect of any tax or any other sum payable by our Company, including as a result of the completion of these proceedings.

31. Unsecured loans that we provide are susceptible to certain operational and credit risks which may result in increased levels of NPAs which may adversely affect our business, prospects, results of operations and financial condition.

We along with the secured lending advance certain unsecured loans to the borrowers. These unsecured loans are typically provided for short duration and to certain select customers. We may not be able to recover these loans through our standard recovery proceedings. Since such loans to these customers are unsecured, upon the occurrence of an event of default, our ability to realize the amounts due would be restricted to initiating legal proceedings for recovery. These unsecured loans present a higher risk of loss in case of a credit default as compared to loans to customers in other asset-backed financing products. In addition, there can be no assurance that our monitoring and risk management procedures will succeed in effectively predicting the right income levels of these customers or that our loan loss reserves will be sufficient to cover any actual losses. If our recovery team is unable to recover payments under these unsecured loans, we typically initiate legal action in respect of dishonored non-cash instruments. However, there can be no assurance that these legal proceedings would be commercially feasible or conclude in a manner favorable to us in a timely manner or at all. If there is a default by customers on repayment of such unsecured loans or if we are unable to recover our principal and interest through such legal proceedings, we may experience increased levels of NPAs and we may be required to make related provisions and write-offs that may have an adverse effect on our business prospects, financial condition and results of operations.

32. The restrictions imposed on NBFCs by the RBI through a Master Circular – Bank Finance to Non Banking Financial Companies dated July 1, 2015 (the "Master Circular") may restrict our ability to obtain bank financing for specific activities.

Pursuant to the Master Circular, the RBI has imposed certain restrictions on banks providing financing to NBFCs. Under this Master Circular, certain NBFC activities are ineligible for financing by banks, such as certain types of discounting and rediscounting of bills, investments of current and long term nature by way of shares, debentures, etc, loans and advances by NBFCs to their subsidiaries and group companies, or

lending by NBFCs to individuals for subscribing to public offerings and purchasing shares from the secondary market, unsecured loans, inter-corporate deposits provided by the NBFCs and subscription to shares or debentures by NBFCs. In addition, the Master Circular prohibits:

- banks from granting bridge loans of any nature, provide interim finance against capital or debenture issues and/or in the form of loans of a temporary nature pending the raising of long term funds from the market by way of capital, deposits, or other means to any category of NBFCs;

- banks from accepting shares and debentures as collateral for secured loans granted to NBFCs; and

- banks from executing guarantees covering inter-company deposits or loans that guarantee refund of deposits or loans accepted by NBFCs. The Master Circular also requires that guarantees not be issued by banks for the purpose of indirectly enabling the placement of deposits with NBFCs.

These restrictions may adversely affect our access to or the availability of bank finance, which may in turn adversely affect our financial condition and results of operations.

33. We may not be able to detect money-laundering and other illegal or improper activities in a comprehensive manner or on a timely basis, which could expose us to additional liability and harm our business or reputation.

We are required to comply with applicable anti-money laundering and anti-terrorism laws and other regulations in India and in other jurisdictions where we have operations. These laws and regulations require us to adopt certain measures, including, to adopt and enforce "know-your-customer/ anti-money laundering/ combating financing of terrorism/ foreign account tax compliance" ("KYC/AML/CFT/FATCA") policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions. Remittances and trade finance transactions are increasingly required to be covered under our scrutiny and monitoring. We are also required to undertake constant review and assessment of existing control processes and programs to meet the increased regulatory expectation. We face significant challenges in keeping pace with frequent reviews and rapid upgrading required by such regulatory developments. While we regularly adopt policies and procedures aimed at detecting and preventing the use of our networks for money-laundering activities and by terrorists and terrorist- related organizations and individuals generally, such policies and procedures may not completely eliminate instances where we may be used by other parties to engage in money-laundering and other illegal or improper activities due to, in part, the short history of these policies and procedures. In addition, there may be significant inconsistencies in the manner in which specific operational and KYC/AML/CFT/FATCA policies are actually interpreted and implemented at an operational level in each of the branch and other customer interface levels. Our business and reputation could suffer if any such parties use our banking channels for money-laundering or illegal or improper purposes.

While we continue to strengthen our AML, CFT and KYC procedures, to the extent we fail to fully comply with applicable laws and regulations, the relevant governmental and regulatory agencies may impose fines and other penalties and, in certain circumstances, ask us to cease operations. In addition, any adverse action taken by such agencies could adversely affect our reputation, thereby affecting our business and future financial performance.

34. Internal or external fraud or misconduct or mis-selling by our employees could adversely affect our reputation and our results of operations.

We sell our products through employees as well as direct selling agents. These direct selling agents aid customers in choosing products, explaining the benefits of such product, disclosing product features and advising on whether to continue with a particular product or switch products. We may be subject to misconduct or mis-selling by our employees which could result in binding us to transactions that exceed authorised limits or present unacceptable risks or concealing unauthorized or unlawful activities from us.

Our business, including any cash collection involved in our operations, may expose us to the risk of fraud, misappropriation or unauthorized transactions by our representatives and employees responsible for dealing with such cash collections. We may accordingly face allegations from customers about mis-selling or unauthorized trading by our employees. In addition, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation or mis-selling by

our representatives and employees, which could adversely affect our goodwill. Employee misconduct or mis-selling could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions, penalties and serious reputational or financial harm. Although we have systems in place to prevent and deter fraudulent activities by our employees, there can be no assurance that such systems will be effective in all cases. Any instances of such fraud or misconduct or mis-selling could adversely affect our reputation, business, results of operations and financial condition.

35. We rely on third-party intermediaries and service providers who may not perform their obligations satisfactorily or in compliance with law. Any such non-compliance with law or unsatisfactory service by the third-party intermediaries and service providers engaged by us for certain services could have an adverse impact on our business and results of operations.

We rely on third parties intermediaries, such as clearing houses and other financial intermediaries to facilitate our financial transactions. As a result, we face various risks, including, fraud, misconduct, and mis-selling, by such third parties, operational failure of such third parties' systems, adverse change or termination in our relationship with such third parties, failures in compliance or adequate controls, including KYC checks, by such third parties, regulatory changes relating to the operations of such third parties, violation of laws and regulations, including those relating to licensing/registration of sales intermediaries, by such third parties, inadequate due diligence in the sales process by such third parties and regulatory actions due to improper business practices of such third parties. Any of these risks may result in litigation or regulatory action against us, which could have a material adverse effect on our business, reputation, financial condition and results of operations.

We enter into outsourcing arrangements with third party vendors providing services that include, among others, software services and professional services. As a result of outsourcing such services, we are exposed to various risks including strategic, compliance, operational, legal and contractual risks. Any failure by a service provider to provide a specified service or a breach in security/ confidentiality or non-compliance with legal and regulatory requirements, may result in financial loss or loss of reputation. We cannot assure that there will be no disruptions in the provision of such services or that these third parties may not adhere to their contractual obligation. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with us, our business, financial condition and results of operations may be adversely affected. In case of any dispute, there can be no assurance that the terms of such agreements will not be breached, which may result in litigation costs. Such cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect our business, financial condition and results of operations. Legal risks, including actions being undertaken by the RBI, if our third-party service providers act unethically or unlawfully, could materially and adversely affect our business, financial condition and results of operations.

In addition, we license certain software and technology from third parties. Any premature termination of our license agreements or the loss of the ability to use such software or technology for any reason would have an adverse impact on our reputation, business and operations.

36. We are subject to regulations in relation to minimum capital adequacy requirements and a decline in our CRAR will require us to raise fresh capital which may not be available on favourable terms, or at all, which may affect our business, prospects, results of operations and financial condition. A decline in our capital adequacy ratio could also restrict our future business growth.

We are subject to regulations relating to the capital adequacy of NBFCs, which determine the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio, or CRAR. Under the RBI's Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time, our company is required to have a regulatory minimum CRAR of 15.00%, with a minimum Tier 1 capital of 10.00%. As at December 31, 2018, CRAR was 19.9%, of which Tier 1 capital was 19.3%. The RBI through a notification dated November 10, 2014 on 'Revised regulatory frame work for NBFC had announced that the minimum Tier 1 capital requirements for all NBFCS that have an asset size of ₹ 5,000 crore and above will be increased in a phased manner as follows: 8.5% by March 31, 2016 and 10% by March 31, 2017.

As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms

favorable to us and this may adversely affect the growth of our business. This could result in non–compliance with applicable capital adequacy ratios, which could have a material adverse effect on our business, prospects, results of operations and cash flows.

37. We may face cyber threats attempting to exploit our network to disrupt services to customers and/ or theft of sensitive internal data or customer information, which may cause damage to our reputation and adversely affect our business and financial performance.

Our businesses involve various mobile and internet based customer applications and as result, we are exposed to various cyber threats including (i) phishing and Trojans targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt exfiltration of account sensitive information; and (ii) hacking, wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; and (iii) data theft, wherein cyber criminals may attempt to enter our network with the intention of stealing our data or information. If we suffer from any of such cyber threats, it could materially and adversely affect our business, financial condition and results of operations. In addition, we also face the risk of our customers incorrectly blaming us and terminating their engagement with us for any cyber security breaches that may have occurred on their own system or with that of an unrelated third party. Any cyber security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

38. If we are not able to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business it may have a material adverse effect on our business.

Due to our various lines of business, we are subject to regulations prescribed by SEBI, RBI, RERA, NHB and other regulatory authorities and accordingly, we are required to obtain certain approvals, permits, licences, registrations and permissions for operating our business (including for the operation of our branches). In future, we will be required to obtain, renew and maintain such permits, registrations and approvals. While we believe that we will be able to obtain, renew and maintain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all.

Further, some of our permits, licenses and approvals are subject to several conditions and there can be no assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Failure by us to obtain, renew or maintain the required permits or approvals may result in the interruption of our operations or delay or prevent our growth plans and may have a material adverse effect on our business, financial condition and results of operations.

39. Failure to maintain confidential information securely or significant security breaches could adversely impact our business, financial condition, cash flows, results of operations and prospects.

In the course of our business operations, we are involved in the acquisition and secure processing, transmission and storage of sensitive, confidential and proprietary information. We are exposed to significant risks related to data protection and data security. We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems. Further, computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and network infrastructure.

Information security breaches could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of our or our customers'/clients' confidential, proprietary and other information, identity theft or disruptions of and errors within our systems. We employ security systems, including sophisticated threat management systems and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, there can be no assurance that these security measures will be adequate or successful. Failure to maintain the security measures could have a material adverse effect on our business, our future financial performance and the interest payable and redemption of the NCDs. We may need to expend significant resources to protect against security breaches, intrusions, attacks or other threats or to address problems including reputational harm and litigation, caused by breaches. Although we take measures to safeguard against systems related and other fraud, there may be certain situations that

fraud may occur. Our reputation could be adversely affected by significant fraud committed by employees, customers or outsiders.

Further, data collection and storage are increasingly subject to various legislation and regulations and our attempts to comply with applicable legal requirements may not be successful, and may also lead to increased costs for compliance, which may materially and adversely affect our business, financial condition, cash flows, results of operations and prospects.

40. We introduce new products for our customers and there is no assurance that our new products will be profitable in the future. Further, we face additional risks as we expand our product and service offerings and grow our business.

In order to continue to expand our businesses, we introduce new products and services in our existing lines of businesses as permitted by the relevant regulatory authorities. For instance, we intend to expand lending to education institutions and develop our housing finance business and real estate broking business. Failure to consider, identify and provide for all additional risks may result in an adverse financial impact on us. Such new products and services would result in us incurring additional costs and we cannot guarantee that such new products and services will be successful once offered, whether due to factors within or outside of our control, such as general economic conditions, a failure to obtain sufficient financing to support or a failure to understand customer demand and market requirements or a failure to understand the regulatory and statutory requirements for such products or lack of management focus on these new products. If we are unable to achieve the intended results with respect to our offering of new products and services, or manage the growth of our business, our financial condition, cash flows, results of operations and prospects could be materially adversely affected.

41. Our substantial indebtedness and the conditions imposed by our financing and other agreements could adversely affect our ability to conduct our business and operations.

As of December 31, 2018, we had total outstanding debt of ₹ 6,078.6 crore and our debt to equity ratio (including minority interest) was 3.9 times. Most of our financing arrangements are secured by our movable and immovable assets. In addition, we may incur substantial indebtedness in the future as we continue to expand our business operations.

The high level of our indebtedness could have several important consequences, including but not limited to the following:

- a substantial portion of our cash flows may be used towards repayment of our existing debt, which will reduce the availability of cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements;

- our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favorable to us may be limited;

- fluctuations in market interest rates may affect the cost of our borrowings, as certain of our indebtedness is subject to floating rates of interest;

- impact on our credit ratings; and

- we may have difficulty in satisfying repayments and other restrictive covenants under our existing financing arrangements.

Our financing agreements may also contain cross default provisions which could automatically trigger defaults under other financing agreements. Any or all of the above restrictive covenants may restrict our ability to conduct business and any breach thereof may adversely affect our results of operations and financial condition.

42. We depend on the accuracy and completeness of information about customers and counterparties for our credit assessment and risk management. Any misrepresentation, errors in or incompleteness of such information could cause affect our business to sufferfinancial performance.

In deciding whether to extend credit to our customers, we rely on information furnished to us by or on behalf of customers. We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on third parties such as the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus, and on independent or professional valuers in relation to the value of the collateral, and our reliance on any misleading information given may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition.

Moreover, the availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. While the law provides us with better access to credit information, there may be relatively less financial and credit information available on small and medium enterprises and in relation to the possibility of double-financing obtained by any such clients, than may have been available in a more developed economy, and the availability of such financial and credit information in India may be considered to suffer from an absence of competitive pressure at present.

Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets, which could materially and adversely affect our business, prospects, results of operations and financial condition.

43. We may experience negative cash flows in the future.

We have and may, in the future, experience negative cash flows.

The following table sets forth certain information relating to our cash flows for the periods indicated below:

Particulars	Fiscal 2016	Fiscal 2017	Fiscal 2018
	(₹ in crore)		
Net cash flow from/ (used in) operating activities	639.4	(1868.6)	(1009.4)
Net cash flow from/ (used in) investing activities	394.4	1.5	48.1
Net cash flow from/ (used in) financing activities	(399.6)	1419.3	965.3
Net increase/ (decrease) in cash and cash equivalent	634.2	(447.8)	4.0

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition and results of operations could be materially and adversely affected.

44. We have certain contingent liabilities that could adversely affect our financial condition.

Our capital commitments were ₹ 1.1 crore as of March 31, 2018. These comprised the following:

Particulars	As of March 31, 2018 (₹ crore)
Estimated amount of contracts remaining to be executed on capital account and not provided for.	1.1

For further information, see "*Financial Information*" on page 245 of this Draft Shelf Prospectus.

There can be no assurance that any or all of these contingent liabilities will not become direct liabilities. In the event any or all of these contingent liabilities become direct liabilities, it may have an adverse effect on our business, financial conditions and results of operations.

45. Our Subsidiary has incurred losses in the past.

Our Subsidiary has incurred losses in the financial years ending March 31, 2018 amounting to ₹ 1.4 crore. Our Subsidiary may incur further losses in the future, which could have an adverse effect on our reputation or prospects. For further information, please see "*Financial Information*" on page 245 of this Draft Shelf Prospectus.

46. We have entered into, and will continue to enter into, related party transactions and we cannot assure you that we could not have achieved more favourable terms had such transactions not been entered into with related parties.

We have entered into transactions with several related parties, including our Promoter, directors, subsidiaries or Group Companies. We can give no assurance that we could not have achieved more favourable terms had such transactions been entered into with parties that were not related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest. For more information, see "*Financial Statements*".

47. There may be potential conflicts of interest with our Promoter, Directors and related entities.

Our Company's Promoter, directors and related entities have interests in a number of entities which are in businesses similar to our company's business and this may result in potential conflicts of interest with our Company. Certain decisions concerning our company's operations or financial structure may present conflicts of Interest among our company's promoter, other shareholders, directors, executive officers and the holders of equity shares. Commercial transactions in the future between our company and related parties may result in conflicting interests. A conflict of interest may occur directly or indirectly between our company's business and the business of our company's promoter which could have an adverse effect on our company's operations. Conflicts of interest may also arise out of common business objectives shared by our Company, our Company's Promoter, Directors and their related entities. Our Company's Promoter, directors and their related entities may compete with our Company and have no obligation to direct any opportunities to our company. Our Company cannot provide any assurance that these or other conflicts of interest will be resolved in an impartial manner.

48. Industry information included in this Draft Shelf Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

We have availed the services of an independent third party research agency, CRISIL, to prepare an industry report titled "NBFC Coverage", for purposes of inclusion of such information in this Draft Shelf Prospectus. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from this industry report. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, the Lead Managers or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Shelf Prospectus.

49. Our insurance coverage could prove inadequate to satisfy potential claims and our insurance policies may not protect us against all potential losses, which could adversely affect our business and results of operations.

We maintain a number of insurance policies to cover the different risks involved in the operation of our business. We have insurance policies covering, among others, electronic equipment, burglary, money, standard fire and special peril and machinery breakdown, and public liability insurance. While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, there can be no assurance that any claim under the insurance policies maintained by us will be covered entirely, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal

course of our business, but there can be no assurance that such renewals will be granted in a timely manner, at acceptable cost or at all.

To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see "*Our Business – Insurance*" on page 107 of this Draft Shelf Prospectus.

50. We have in this Draft Shelf Prospectus included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Shelf Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. We have in this Draft Shelf Prospectus included financial information on our AUM, loan book and cost of borrowings, which may be different from that followed by other financial services companies. For further information, see "*Our Business*" on page 92 of this Draft Shelf Prospectus. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies.

51. The audited financial statements of the Company (as per Indian GAAP) for Fiscal 2014 have not been consolidated and prepared on a standalone basis. Accordingly, the reliance on such financial information included in this Draft Shelf Prospectus should be limited.

Our Company had subsidiaries, JM Financial Services Limited ("**JMFSL**") and JM Financial Commtrade Limited ("**JMFCL**"), in 2014. The financial statements of JMFSL and JMFCL had not been consolidated with the financial statements of the Company since the same was not a requirement under the *erstwhile* Companies Act, 1956. Accordingly, our Company has not consolidated the financial statements of JMFSL and JMFCL for Fiscal 2014. Our Company, for the first time, has prepared the consolidated financial statements for Fiscal 2015 in accordance with Section 129 of the Companies Act, 2013. Due to non – availability of the consolidated financial statements for Fiscal 2014, the financial statements of the Company and each of it subsidiaries on a standalone basis, for the respective years, has been disclosed in this Draft Shelf Prospectus. Therefore, any reliance by prospective investors on such financial information for Fiscal 2014 should, accordingly, be limited.

52. We are required to prepare our financial statements with effect from April 1, 2018 under the Ind AS. As Ind AS differs in various respects from Indian GAAP, our financial statements for the financial year 2019 may not be comparable to our historical financial statements.

We were required to prepare our financial statements in accordance with Indian GAAP upto financial year ended March 31, 2018. The Companies (Indian Accounting Standards) Rules, 2015 ("IAS Rules"), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted Ind AS to converge with IFRS with few exceptions and exemptions. The IAS Rules provide that the financial statements of the companies to which they apply shall be prepared in accordance with IND (AS), although any company may voluntarily implement IND (AS) for the accounting period beginning from 1 April 2015. All NBFCs having a net worth of more than ` 5,000 million are required to mandatorily adopt IND (AS) for the accounting period beginning from 1 April 2018 with comparatives for the period ending on 31 March 2018.

While there is a possibility that these financial results for the period ended December 31, 2018 may require adjustments due to changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the Ministry of Corporate Affairs or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS 101 which may arise upon finalisation of the financial statements as at and for the year ending March 31, 2019, prepared under Ind AS. Certain very significant GAAP difference impact items in our financial statements are income from loans and advances, finance cost, provision on non-performing assets, deferred tax and recognition of securitization/ assignment transactions. For a summary of the significant qualitative differences between Indian GAAP and Ind AS as applicable to our Company, see "*Summary of Significant Differences Between Indian GAAP and Ind AS*" on page 70 of this Draft Shelf Prospectus. However, this summary may not contain all significant differences between Indian GAAP and Ind AS applicable to our Company and reliance by prospective investors on this summary should be limited.

Accordingly, our financial statements for the period commencing from April 1, 2018 will not be comparable to our historical financial statements.

53. Our office locations are not registered in our name and are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.

Our Registered Office is located on leasehold premises for a period of 5 years from October 1, 2017. Additionally, most of our branches are located on leasehold premises. In the event such leases are not renewed or are terminated, it could adversely affect our operation unless we arrange for similar premises. If we are unable to continue or renew such leases on same or similar terms, or find alternate premises on similar terms or at all, it may adversely affect our business operations.

54. This Draft Shelf Prospectus includes certain unaudited financial information, which has been subjected to limited review, in relation to our Company and our Subsidiary.

This Draft Shelf Prospectus includes Limited Review Financial Information in relation to our Company and our Subsidiary for the nine months period ended December 31, 2018 in respect of which the auditors have issued the limited review report dated January 18, 2019 and January 21, 2019 respectively. As the limited review financial information prepared by the Company and the Subsidiary in accordance with Regulation 52(2) of the SEBI LODR Regulations have been subjected only to a limited review and as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information" Performed by the Independent Auditor of the Entity" issued by the ICAI, and not to an audit, any reliance by prospective investors on such limited review financial information for the nine months period ended December 31, 2018 should, accordingly, be limited.

External Risk Factors

55. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the payment of interest and redemption of the NCDs.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the government of India towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the payment of interest and redemption of the NCDs.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

56. Political instability or changes in the government could adversely affect economic conditions in India and consequently our business.

Our performance and the interest payable on the NCDs may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. The business of our Company may be affected by changes in government of India policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive Indian governments have pursued policies of economic liberalisation, financial sector reforms including significantly relaxing restrictions on the private sector. The governments have usually been multi-party coalitions with differing agendas. Any political instability could affect the rate of economic liberalisation and the specific laws and policies affecting foreign investment. A significant change in India's economic liberalisation and deregulation policies could adversely affect business and economic conditions in India generally, and our business in particular, if any new restrictions on the private sector are introduced or if existing restrictions are increased.

57. Financial instability, economic developments and volatility in securities markets in other countries may also affect the business of the company and receivables on the NCDs.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Recently, the currencies of a few Asian countries suffered depreciation against the US dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, future financial performance and the interest payable and redemption of the NCDs.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major us and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such

developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the interest payable and redemption of the NCDs.

58. The Indian tax regime has undergone substantial changes which could adversely affect the company's business and profits and the net receivables in relation to the NCDs.

The goods and service tax ("**GST**") that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state vat, cess and surcharge and excise that were being collected by the government of India and state governments. Since this is a recent development and is undergoing substantial changes, there could be an adverse impact to our business and profits and consequently affect the receivables in relation to the NCDs.

As regards the general anti-avoidance rules ("**GAAR**"), the provisions of Chapter X-A (Sections 95 to 102) of the Income Tax Act, 1961, are applicable from assessment year 2019 (fiscal 2018) onwards. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance, profits and the interest earned on the NCDs.

Further, the GoI has issued a set of income computation and disclosure standards ("**ICDS**") that will be applied in computing taxable income and payment of income taxes thereon, effective from April 1, 2016. ICDS apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of "profits and gains of business/profession" and "income from other sources". This is the first time such specific standards have been issued for income taxes in India, and the impact of the ICDs on our tax incidence is uncertain.

59. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects, results of operations and, financial condition.

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. There can be no assurance that the central or the state governments may not implement new regulations and policies which will require us to obtain approvals and licenses from the governments and other regulatory bodies or impose onerous requirements and conditions on our operations.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or

retrospectively) and/or subject us to penalties. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

60. Differences exist between Indian GAAP and other accounting principles, which may be material to investors' assessments of our financial condition.

Our financial statements, including the financial statements included in this draft shelf prospectus, are prepared in accordance with Indian GAAP and our unaudited financial results for the nine months period ended December 31, 2018 are prepared in accordance with Ind AS. We have not attempted to quantify the impact of other accounting principles, such as US GAAP or IFRS, on the financial data included in this draft shelf prospectus, nor do we provide a reconciliation of its financial statements to those prepared pursuant to US GAAP or IFRS. US GAAP and IFRS differ in several respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Shelf Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should, accordingly, consult their own professional advisors before relying on the financial disclosures presented in this draft shelf prospectus.

Prospective investors should review the limited review financial results and the standalone financial statements in the section "*Financial Information*" on page 245 of this Draft Shelf Prospectus, along with the respective GAAP accounting policies and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Accordingly, the degree to which our standalone financial results and standalone financial statements included in this draft shelf prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the present and the earlier GAAP applicable in India. Any reliance by persons not familiar with these accounting practices on our financial disclosures presented in this draft shelf prospectus should accordingly be limited.

61. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our ability to raise financing and our business.

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business, financial performance, profits and ability to obtain financing for capital expenditures and the interest and redemption of the NCDs.

62. Our ability to raise foreign debt capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, there can be no assurance that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

63. The currency demonetization measures imposed by the Government of India adversely affected the Indian economy and similar unanticipated measures may adversely affect our business our business operations, results of operations and financial condition.

On November 8, 2016, the Indian government announced phasing out of large-denomination currency notes (₹ 500 and ₹ 1,000, representing 86% of the total currency in circulation) as legal tender. They were immediately replaced with new ₹ 500 and ₹ 2,000 currency notes. This measure was undertaken to curb corruption, tax evasion, and counterfeiting. The withdrawal from circulation started immediately and ended on December 30, 2016. India's growth is forecast to increase to 7.2% in fiscal 2017 and accelerate to 7.7% by the end of the forecast horizon—slightly below previous projections. This outlook mainly reflects a more protracted recovery in private investment than previously envisaged. (S*ource: world bank group. 2017. Global economic prospects, June 2017 a fragile recovery. Washington, dc: world bank. Available at*

http://www.worldbank.org/en/publication/globaleconomic-prospects). The short-term impact of the currency demonetization was, among other things, a decrease in liquidity of cash and consequently, spending, in India. The long term effects of these measures on the Indian economy, on the markets for various commodities and services, and our operations in particular, are currently. Any slowdown in the Indian economy as a result of the currency demonetization measures or any other similar unanticipated measures may adversely affect our business our business operations, financial condition, results of operations and financial condition.

64. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

The annual rate of inflation was at 3.80% (provisional) for the month of December 2018 (over December 2017) as compared to 4.64% (provisional) for the previous month and 3.58% during the corresponding month of 2017. (*Source: Index Numbers of Wholesale Price in India, Review for the month of November 2018, published on January 14, 2019 by Government of India, Ministry of Commerce and Industry*). Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our payers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

65. The new bankruptcy code in India may affect our Company's right to recover loans from its borrowers.

The Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 66% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees, and debts owed to unsecured credits. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

RISKS RELATING TO THE ISSUE AND THE NCDS

66. There are other lenders and debenture trustees who have pari passu charge over the Security provided.

There are other lenders and debenture trustees of the Company who have pari passu charge over the Security provided for the Issue. While the Company is required to maintain an asset cover of 1 time the outstanding amount of the NCDs and interest thereon, upon the Company's bankruptcy, winding-up or liquidation, the other lenders and debenture trustees will rank pari passu with the NCD holders and to that extent, may reduce the amounts recoverable by the NCD holders.

67. Changes in interest rate may affect the price of our NCD. Any increase in rate of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

68. The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100.00% asset cover for the NCDs, which shall be free from any encumbrances, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the Secured NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the Secured NCDs could expose you to a potential loss.

69. You may be subject to taxes arising on the sale of the NCDs.

Sales of NCDs by any holder may give rise to tax liability, as discussed in "*Statement of Tax Benefits*" on page 63 of this Draft Shelf Prospectus.

70. If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to the Draft Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of the company available for payment of dividend, (b) the DRR shall be equivalent to at least 25% of the value of the outstanding debentures, raised through public issue of debentures in accordance with the SEBI Debt Regulations in case of NBFCs registered with the RBI. Accordingly our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. Every company required to create or maintain a DRR shall before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15.00% of the amount of debentures maturing during the 3lst day of March of that year. This may have a bearing on the timely redemption of the NCDs by our Company.

71. There may be no active market for the NCDs on the retail debt market/capital market segment of the Stock Exchange. As a result the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

72. There may be a delay in making refund to Applicants.

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (iii) withdrawal of the Issue, or (iv) failure to obtain the final approval from the Stock Exchange for listing of the NCDs, will be refunded to you in a timely manner. We however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

73. Any downgrading in credit rating of our NCDs may adversely affect the value of NCDs and thus our ability to raise further debts.

The NCDs for an amount of up to ₹ 2,000 crore proposed to be issued under the Issue have been rated "CRISIL AA/ Stable" and "[ICRA]AA" by CRISIL and ICRA vide its letter dated January 3, 2019 and January 9, 2019 respectively. The rating of the NCDs by CRISIL and ICRA indicates high degree of safety regarding timely servicing of financial obligations. The rating provided by CRISIL and ICRA may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For details of outstanding credit ratings of the Company, please refer to section titled "*Our Business*" on page 92 of this Draft Shelf Prospectus.

74. Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the GoI on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the Secured NCDs.

75. The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for our various financing activities including lending, subject to applicable statutory and/or regulatory requirements, and for general corporate purposes including repayment of our existing loans and for our capital expenditure and working capital requirements.. For further details, see the section titled "*Objects of the Issue*" at page 60 of this Draft Shelf Prospectus. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue.

76. There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the stock exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the stock exchanges, our Company will forthwith repay, with interest, all monies received from the Applicants

in accordance with prevailing law in this context, and pursuant to this Draft Shelf Prospectus. There is no assurance that the NCDs issued pursuant to this Issue will be listed on stock exchanges in a timely manner, or at all.

SECTION III: INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated in Mumbai, Maharashtra as a private limited company on July 10, 1984 under the provisions of the Companies Act, 1956, with registration number 33397 of 1984 and with the name "**J.M. Lease Consultants Private Limited**". By virtue of section 43A of the Companies Act, 1956 our Company became a deemed public company with the name "**J.M Lease Consultants Limited**" and received a certificate of incorporation dated July 15, 1992 from the Registrar of Companies, Mumbai, Maharashtra. Our Company further became a private company with effect from August 17, 2001. Subsequently, by way of a fresh certificate of incorporation dated June 10, 2005 issued by the Registrar of Companies, Mumbai, Maharashtra, our Company's name was changed to "**JM Financial Products Private Limited**". Our Company was converted into a public limited company with the name "**JM Financial Products Limited**" and received a fresh certificate of incorporation consequent to change in status on June 28, 2010 from the Registrar of Companies, Mumbai, Maharashtra. Our Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, bearing registration no. B - 13.00178 dated March 2, 1998. For further details regarding changes to the name and registered office of our Company, see section titled "*History and Main Objects*" on page 109 of this Draft Shelf Prospectus. For further details regarding the Promoter and the Group Companies please refer to "*Our Promoter*" at page 123 of this Draft Shelf Prospectus.

Registered Office

JM Financial Products Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg Prabhadevi,
Mumbai,
Maharashtra 400 025, India
Tel: (+91 022) 6630 3030
Fax: (+91 022) 6630 3223
Website: www.jmfinancialproducts.com/reena.sharda@jmfl.com
Email: investorrelations.products@jmfl.com

For details of change in registered office, refer to the section titled "*History and Main Objects*" on page 109 of this Draft Shelf Prospectus.

Registration

Registration Number: 033397

Permanent Account Number: AAACJ1236G

Legal Entity Identifier Number: 254900RFJL24Y2NFKF06

Corporate Identity Number: U74140MH1984PLC033397 issued by the Registrar of Companies, Mumbai, Maharashtra

Certificate of registration dated March 02, 1998, bearing number B-13.00178, issued under Section 45IA of the RBI Act, 1934 by the RBI to carry on the business of a non-banking financial institution without accepting public deposits.

Chief Financial Officer
Mr. Nishit Shah
7th Floor, Cnergy,
Appasaheb Marathe Marg Prabhadevi,
Mumbai,
Maharashtra 400 025, India
Tel: (+91 022) 6630 3030
Fax: (+91 022) 6630 3223
Email: nishit.shah@jmfl.com

Company Secretary and Compliance Officer
Ms. Reena Sharda
7th Floor, Cnergy,
Appasaheb Marathe Marg Prabhadevi,
Mumbai,
Maharashtra 400 025, India
Tel: (+91 022) 6630 3030
Fax: (+91 022) 6630 3223
Email: investorrelations.products@jmfl.com/reena.sharda@jmfl.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post-issue related issues such as non-receipt of intimation of allotment advice, demat credit of allotted NCDs or refund orders, as the case may be.

All grievances relating to the Issue or any relevant Tranche Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the collection centre of the Designated Intermediaries where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the Applicant.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism may be addressed directly to the respective Stock Exchanges.

Lead Managers
A.K Capital Services Limited
30-39, Free Press House, 3rd Floor,
Free Press Journal Marg,
215, Nariman Point, Mumbai 400 021
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
Email: jmproducts2019@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ms. Shilpa Pandey / Mr. Krish Sanghvi
Compliance Officer: Mr. Tejas Davda
SEBI Registration No.: INM000010411

JM Financial Limited*
7th Floor, Cnergy,
Appasaheb Marathe Marg Prabhadevi,
Mumbai 400 025
Tel: (91 22) 6630 3030
Fax: (91 22) 6630 3330
Email: jmfpl.ncd2018@jmfl.com
Investor Grievance Email: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Ms. Prachee Dhuri
Compliance Officer: Mr. Sunny Shah
SEBI Registration No.: INM000010361
**In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the SEBI ICDR Regulations, JM Financial Limited will be involved only in marketing of the Issue.*

Trust Investment Advisors Private Limited
109/110, Balarama,
Bandra Kurla Complex,
Bandra (E), Mumbai 400 051
Tel: (91 22) 4084 5000
Fax: (91 22) 4084 5007
Email: project.paris@trustgroup.in
Investor Grievance Email: customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Ms. Hani Jalan
Compliance Officer: Mr. Ankur Jain
SEBI Registration No.: INM000011120

Debenture Trustee
IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17 R, Kamani Marg, Ballard Estate
Mumbai 400 001
Tel: (+91 22) 4080 7000
Fax: (91 22) 6631 1776
Email: itsl@idbitrustee.com
Investor Grievance Email: response@idbitrustee.com
Website: www.idbitrustee.com
Contact Person / Compliance Officer: Mr. Jatin Bhat
SEBI Registration No.: IND000000460

IDBI Trusteeship Services Limited has, by its letter dated October 23, 2018, given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Shelf Prospectus, Shelf Prospectus or the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

All the rights and remedies of the Debenture Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the Debenture Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the Debenture Holders. For details on the terms of the Debenture Trust Deed, please refer to the section titled "*Issue Related Information*" on page 147 of this Draft Shelf Prospectus.

Registrar to the Issue
Karvy Fintech Private Limited (Formerly known as KPCL Advisory Services Private Limited)
Karvy Selenium Tower – B
Plot No. 31 & 32, Gachibowli Financial District,
Nanakramguda, Serilingampally, Hyderabad,
Rangareddi – 500 032
Tel: 040 6716 2222
Fax: 040 2343 1551
Email: jmfpl.ncd1@karvy.com
Investor Grievance Email: einward.ris@karvy.com
Website: www.karvyfintech.com
Contact Person: Mr. Murali Krishna
SEBI Registration No.: INR000000221

Karvy Fintech Private Limited (formerly known as KPCL Advisory Services Private Limited) has by its letter dated January 01, 2019 given its consent for its appointment as Registrar to the Issue and for its name to be included in this Draft Shelf Prospectus, Shelf Prospectus or the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Applicants or prospective investors may contact the Registrar to the Issue or the Company Secretary & Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non receipt of Allotment Advice, demat credit, refunds or transfers, etc. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant ("**DP**") and the collection centre of the relevant members of the Designated Intermediaries appointed in relation to the Issue ("**Syndicate**") where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either **(a)** the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or **(b)** the concerned Designated Intermediary and the relevant Designated Branch of the SCSB in the event of an Application submitted by an Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for and amount blocked on Application.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism or through Designated Intermediaries of the Stock Exchanges may be addressed directly to the relevant Stock Exchange.

Statutory Auditors

M/s. Khimji Kunverji & Co, Chartered Accountants, Mumbai
Sunshine Tower, Level 19
Senapati Bapat Marg
Elphinstone Road
Mumbai 400 013
Telephone: 022 6143 7333
Facsimile: 022 6143 7300
Website: www.kkc.in
E-mail: hasmukh@kkc.in

The Board, on April 30, 2018, appointed M/s. Khimji Kunverji & Co., Chartered Accountants, Mumbai as the statutory auditors of the Company for a period of five financial years. This was confirmed by the shareholders of the Company on July 17, 2018. Prior to this, Deloitte Haskins & Sells, LLP, Chartered Accountants were the statutory auditors of the Company. Other than this, there has been no other change of a statutory auditor of the Company in the last three financial years.

Credit Rating Agencies

ICRA Limited
Electric Mansion, 3rd Floor,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai-400 025
Telephone: (+91) (022) 61143406
Facsimile: (+91) (022) 24331390
Email: shivakumar@icraindia.com
Contact Person: L. Shivakumar
Website: www.icra.in
SEBI Registration Number: IN/CRA/008/2015
CIN: L74999DL1991PLC042749

**ICRA Ratings Limited received a notice from SEBI on December 18, 2018, for conduct of adjudication proceedings in relation to credit ratings assigned to Infrastructure Leasing & Financial Services Limited and one of its subsidiaries, IL&FS Financial Services Ltd. under the SEBI (Procedure for Holding Enquiry and Imposing Penalties by Adjudication Officer) Rules, 1995. These proceedings are under Chapter VI-A of the SEBI Act, 1992, which deals with potential imposition of monetary penalty.*

CRISIL Limited
CRISIL House, Central Avenue
Hiranandani Business Park, Powai
Mumbai-400 076
Telephone: (+91) (022) 3342 3000
Facsimile: (+91) (022) 3342 3050
Email: crisilratingdesk@crisil.com
Contact Person: Krishnan Sitaraman
SEBI Registration Number: IN/CRA/001/1999
CIN: L67120MH1987PLC042363

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated [ICRA]AA by ICRA for an amount of upto ₹ 2,000 crores vide its letter dated January 09, 2019 and have been rated "CRISIL AA/STABLE" by CRISIL for an amount upto ₹ 2,000 crores vide its letter dated January 03, 2019. The rating of the NCDs by ICRA and CRISIL indicates high degree of safety regarding timely servicing of financial obligations. The rating provided by ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to Annexures A and B of this Draft Shelf Prospectus for rating letter and rationale for the above rating.

Disclaimer clause of ICRA

"ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its Group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents."

Disclaimer clause of CRISIL

"CRISIL Limited (CRISIL) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL from sources which it considers reliable (Information). A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and / or registration to carry out its business activities in this regard. JM Financial Products Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301."

Legal Advisors to the Issue
AZB & Partners AZB House, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel Mumbai 400 013 Tel: (+91 22) 6639 6880 Fax: (+91 22) 6639 6888

Bankers to the Company	
State Bank of India Commercial Branch, Horniman Circle, Fort Mumbai 400 001 Amit Verma DGM & RM (AMT-1) Tel: (+91 22) 2266 2205	**ICICI Bank Limited** Capital Markets Division, 1st Floor, 122, Mistry Bhavan Dinshaw Wachha Road, Backbay Reclamation, Churchgate, Mumbai 400 020 Branch Manager Tel: (+91-22) 6681 8990
Federal Bank Treasury Department, C-8, 1st Floor, Laxmi Towers, Bandra Kurla Complex, Mumbai 400 051 Ritesh Tulasidas Bhusari Tel: (+91 22) 2656 6668	**Bajaj Finance Limited** The Capital, 16th Floor, B-Wing, Opposite ICICI Bank, BKC Bandra East, Mumbai 400 051 Deepti Shetty Tel: (+91 22) 3950 0517
Bank of Baroda Corporate Financial Services Branch, Mumbai Samachar Marg, 10/12, 3rd Floor, Fort, Mumbai 400 023 Vikram Bajaj Tel: (+91 22) 4340 7304	**Canara Bank** Specialised Mid Corporate Branch, Canara Bank Building, 8th Floor, BKC, Bandra East, Mumbai 400 051 K Balakrishna Tel: (+91 22) 2653 5731
IDBI Bank Limited 224-A, Mittal Court, 'A' Wing, Nariman Point, Mumbai 400 021 Salim Saudagar Tel: (+91 22) 6658 8201	**Bank of India** Andheri Large Corporate Branch, M.D.I. Building, First Floor, 28, S.V. Road, Andheri (West) Mumbai 400 058 T.V. Kalidas Tel: (+91 22) 2671 2936
Syndicate Bank, Large Corporate Branch, 3rd Floor, 10, Homji Street, Fort Mumbai 400 023 Birendra Kumar Singh Tel: (+91 22) 2266 2787	

Public Issue Account Bank
As specified in the relevant Tranche Prospectus for each Tranche.

Refund Bank
As specified in the relevant Tranche Prospectus for each Tranche.

Lead Broker(s) to the Issue
As specified in the relevant Tranche Prospectus for each Tranche.

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of Sub-Section (1) of section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:

"Any person who—

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue, prior to the Issue Closing Date the entire Applciation Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Account(s), such Application Amounts shall be refunded within 6 Working Days from the Refund Account to the relevant ASBA Accounts(s) of the Applicants. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Designated Intermediaries

Self-Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs, with which an Applicant, not applying through the Syndicate, may submit the Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Applications submitted to the Designated Intermediaries, the list of branches of the SCSBs to receive deposits of ASBA Applications from such Designated Intermediaries is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Applications from Designated Intermediaries, see the above mentioned web-link.

RTAs / CDPs

The list of the RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 for RTAs and CDPs, as updated from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds, please refer to the chapter titled "*Objects of the Issue*" on page 60 of this Draft Shelf Prospectus.

Issue Programme

ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a reputed national daily newspaper with wide circulation on or before such earlier date or extended date of closure.

Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchange on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Designated Intermediaries are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment will be as per the relevant Tranche Prospectus. In this regard as per the SEBI circular dated October 29, 2013, the allotment in the Issue should be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, in the event of oversubscription, on such date, the allotments should be made to the applicants on proportionate basis.

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled "*Terms of the Issue*" beginning on page 147 of this Draft Shelf Prospectus.

Common Terms of NCDs***

Issuer	JM Financial Products Limited
Lead Managers	A.K. Capital Services Limited, JM Financial Limited**and Trust Investment Advisors Private Limited
Debenture Trustee	IDBI Trusteeship Services Limited.
Issue	Public issue by our Company of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each and/or Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each, for an amount aggregating up to ₹ 2,000 crores ("**Shelf Limit**") pursuant to the Draft Shelf Prospectus. The Unsecured, Rated, Listed, Redeemable Non-convertible Debentures will be in the nature of Subordinated Debt and will be eligible for Tier II Capital.
Registrar to the Issue	Karvy Fintech Private Limited
Type and nature of instrument	Secured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 each and/or unsecured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000.
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Face Value (in ₹ / NCD)	₹ 1,000
Issue Price (in ₹ / NCD)	As specified in the relevant Tranche Prospectus for each Tranche Issue
Minimum application and in multiples of	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Seniority	Senior (to clarify, the claims of the NCD Holders shall be superior to the claims of any other creditors, subject to applicable statutory and/or regulatory requirements). The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, present and future and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of pari passu charge in favour of the Debenture Trustee on present and/or future receivables/assets of our Company, excluding therefrom such portion of the receivables secured or to be secured for the purposes of maintaining 'security cover' (by whatever name called) in connection with all other indebtedness of the Company, whether by way of loan or debentures or otherwise, under the terms of such other indebtedness which are / will not be offered to other lenders for their credit facilities. No security will be created for Unsecured NCDs in the nature of Subordinated Debt. The rated, listed, redeemable Unsecured NCDs are in the nature of Subordinated Debt and will be eligible for Tier II Capital.
Mode of Issue	Public Issue
Listing	BSE BSE shall be the Designated Stock Exchange for the Issue. The NCDs are proposed to be listed within 6 (six) Working Days from the respective Issue Closing Date pertaining to a Tranche Issue.
Mode of Allotment and Trading	NCDs will be issued and traded compulsorily in dematerialised form.
Mode of settlement	Please refer to the section titled "Issue Structure" beginning on page 154 of this Draft Shelf Prospectus.
Market / Trading Lot	1 NCD
Depositories	NSDL and CDSL
Security and asset cover	The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, present and future, and shall be secured by way of first ranking pari passu charge on the Company's receivables, both present and/or future, excluding therefrom such portion of the receivables secured or to be secured for the purposes of maintaining 'security cover' (by whatever name called) in connection with all other indebtedness of the Company, whether by way of loan or debentures or otherwise, under the terms of such other indebtedness which are / will not be offered to other lenders for their credit facilities; and/or first ranking pari passu charge on the Company's identified immovable property. Security for the purpose of this Issue will be created in accordance with the terms of the Debenture Trust Deed to ensure 100% security cover of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time. For further details please refer to the section titled "*Issue Structure*" beginning on page 154 of this Draft Shelf Prospectus. No security will be created for Unsecured NCDs in the nature of Subordinated Debt. The rated, listed, redeemable Unsecured NCDs are in the nature of Subordinated Debt and will be eligible for Tier II Capital.
Who can apply/ Eligible Investors	Please refer to the section titled "*Issue Procedure*" beginning on page 165 of this Draft Shelf Prospectus.
Credit Ratings	

Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated	Rating definition

	ICRA	Non-convertible debentures	[ICRA]AA	January 09, 2019	₹ 2,000 crore	Stable
	CRISIL	Non-convertible debentures	CRISIL AA	January 03, 2019	₹ 2,000 crore	Stable

Please refer to pages 376 to 398 of this Draft Shelf Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA and CRISIL on page 45 under the chapter "*General Information*".

Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Record Date	The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.
Issue Schedule* **	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Objects of the Issue	Please refer to the section titled "*Objects of the Issue*" on page 60 of this Draft Shelf Prospectus.
Details of the utilisation of Issue proceeds	Please refer to the section titled "*Objects of the Issue*" on page 60 of this Draft Shelf Prospectus.
Coupon rate, coupon payment date and redemption premium/discount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon payment frequency	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count convention	Actual/Actual
Working Days convention/Day count convention / Effect of holidays on payment	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai. Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the Secured NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016. If the interest payment date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such interest payment date were a Working Day. Further, the future interest payment dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. If Redemption Date (also being the last interest payment date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest / redemption payments shall be made only on the subsequent day when the money market is functioning in Mumbai.
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Closing Date	As specified in the relevant Tranche Prospectus for each Tranche Issue. *Each Tranche Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. during the period indicated above, except that the Tranche Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee. In the event of an early closure or extension of any Tranche Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Tranche Issue closure. On the Issue Closing Date pertaining to a Tranche Issue, the Application Forms for the Tranche Issue will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Designated Stock Exchange.
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.

Put/Call Date/Price/notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Call Notification Time / Put Notification Time	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Deemed Date of Allotment	The date on which the Board or the Allotment Committee approves the Allotment of the NCDs for any Tranche Issue or such date as may be determined by the Board of Directors or the Allotment Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the NCD Holders from the Deemed Date of Allotment.
Transaction documents	Issue Agreement dated January 24, 2019 between our Company and the Lead Managers, the Registrar Agreement dated January 24, 2019 with the Registrar to the Issue, the Public Issue Account Agreement to be executed with the Public Issue Account Bank, the Refund Bank, the Lead Managers and the Registrar to the Issue, the Lead Broker Agreement to be executed with the Lead Brokers and Lead Managers, the Debenture Trustee Agreement dated January 24, 2019 executed between our Company and the Debenture Trustee and the Debenture Trust Deed to be executed between our Company and the Debenture Trustee for creating the security over the Secured NCDs issued under the Issue and to protect the interest of NCD Holders under the Issue.
Conditions precedent and subsequent to the Issue	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent and subsequent to disbursement. For further details, please refer to "*Objects of the Issue – Utilisation of Issue Proceeds*" on page 62 of this Draft Shelf Prospectus.
Events of default	Please refer to the section titled "*Issue Structure-Events of default*" on page 164 of this Draft Shelf Prospectus.
Cross Default	Please refer to the section titled "*Issue Structure-Events of default*" on page 164 of this Draft Shelf Prospectus.
Roles and responsibilities of the Debenture Trustee	Please refer to the section titled "*Terms of the Issue-Trustees for the NCD Holders*" on page 163 of this Draft Shelf Prospectus.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

***In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the SEBI ICDR Regulations, JMFL will be involved only in marketing of the Issue.*

****The subscription list shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m.. (Indian Standard Time), during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

The specific terms of each instrument to be issued pursuant to a Tranche Issue shall be as set out in the relevant Tranche Prospectus.

Please see pages 166, 165 and 180 of this Draft Shelf Prospectus under sections titled "*Issue Procedure – How to apply*", "*Issue Procedure – Who can apply*" and "*Issue Procedure – Basis of allotment*", respectively for details of category wise eligibility and allotment in the Issue.

CAPITAL STRUCTURE

Details of share capital

The share capital of our Company as of December 31, 2018

		Amount in ₹
A	**Authorised share capital**	
	1,10,00,00,000 Equity Shares of ₹ 10.0 each	11,00,00,00,000.0
	10,00,00,000 Preference Shares of ₹ 10.0 each	1,00,00,00,000.0
	TOTAL	12,00,00,00,000.0
B	**Issued, subscribed and paid-up share capital**	
	54,45,00,000 Equity Shares of ₹ 10.0 each	5,44,50,00,000.0
C	**Securities Premium Reserve**	382,252,000.0

This Issue will not result in any change of the paid up capital and securities premium reserve of the Company.

Changes in the authorised share capital of our Company as of December 31, 2018

Details of increase in authorised share capital since incorporation are set forth as below:

S.No.	Particulars of increase	Date of Shareholders' meeting	AGM/EGM
1.	Increase in authorised share capital from ₹ 50,000.0 to ₹ 1,00,00,000.0 divided into 9,97,000.0 Equity Shares of ₹ 10.0 each and 300 Equity Shares of ₹ 100.0 each	September 1, 1986	EGM
2.	Increase in authorised share capital from ₹ 1,00,00,000.0 to ₹ 1,00,01,000.0 divided into 10,00,000.0 Equity Shares of ₹ 10.0 each and 10 Preference Shares of ₹ 100.0 each	February 6, 1992	EGM
3.	Increase in authorised share capital from ₹ 1,00,01,000.0 to ₹ 10,00,00,000.0 divided into 60,00,000.0 Equity Shares of ₹ 10.0 each and 40,00,000 Preference Shares of ₹ 10.0 each	March 29, 2006	EGM
4.	Increase in authorised share capital from ₹ 10,00,00,000.0 to ₹ 30,00,00,000.0 divided into 1,75,00,000.0 Equity Shares of ₹ 10.0 each and 1,25,00,000 Preference Shares of ₹ 10.0 each	February 9, 2007	EGM
5.	Increase in authorised share capital from ₹ 30,00,00,000.0 to ₹ 50,00,00,000.0 divided into 4,95,00,000.0 Equity Shares of ₹ 10.0 each and 5,00,000 Preference Shares of ₹ 10.0 each	October 29, 2007	EGM
6.	Increase in authorised share capital from ₹ 50,00,00,000.0 to ₹ 1,200,00,00,000.0 divided into 110,00,00,000.0 Equity Shares of ₹ 10.0 each and 10,00,00,000 Preference Shares of ₹ 10.0 each	December 13, 2007	EGM

Notes to capital structure

Share capital history of the Company

Equity Share capital history of the Company as of December 31, 2018

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
Upon incorporation	20	10.0	10.0	Cash	Allotment to subscribers(1)	20	200.0	-
March 30, 1992	9,99,980	10.0	10.0	Cash	Rights Issue (2)	10,00,000	1,00,00,000.0	-
March 31, 2006	50,00,000	10.0	100.0	Cash	Further issue of equity shares (3)	60,00,000	6,00,00,000.0	45,00,00,000.0
October 29, 2007	1,15,00,000	10.0	-	-	Conversion of preference shares to equity shares(4)	1,75,00,000	17,50,00,000.0	-
October 29, 2007	1,60,00,000	10.0	125.0	Cash	Rights Issue (5)	3,35,00,000	33,50,00,000.0	2,29,00,00,000.0
November 7, 2007	1,60,00,000	10.0	125.0	Cash	Rights Issue(6)	4,95,00,000	49,50,00,000.0	4,13,00,00,000.0
December 14, 2007	49,50,00,000	10.0	-	-	Allotment of Bonus Shares(7)	54,45,00,000	5,44,50,00,000.0	4,13,00,00,000.0

1. *Allotment of Equity Shares to Mr. Nimesh Kampani (10) and Mr. S. Anantharam (10)*
2. *Allotment of Equity Shares on right basis to J. M. Financial & Investment Consultancy Services Private Limited (9,99,980)*
3. *Allotment of Equity Shares to JMFL.(50,00,000)*
4. *Conversion of Preference Shares held by JMFL to Equity Shares (1,15,00,000).*
5. *Allotment of Equity Shares on right basis to JMFL.(1,60,00,000)*
6. *Allotment of Equity Shares on right basis to JMFL. (1,60,00,000)*
7. *Allotment of Bonus Shares to JMFL. (49,50,00,000)*

The Company has not issued any equity shares for consideration other than cash in the two financial years immediately preceding the date of this Draft Shelf Prospectus.

Preference Share capital history of the Company as of December 31, 2018

Date of allotment	No. of Preference Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Preference Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
February 6, 1992	10	100.0	100.0	Cash	Further issue of preference shares (1)	10	1,000.0	-
February 6, 2002	(10)	100.0	-	-	Redemption of preference shares (2)	-	-	-
March 31, 2006	40,00,000	10.0	100.0	Cash	Further issue of preference shares (3)	40,00,000	4,00,00,000.0	36,00,00,000
February 1, 2007	25,00,000	10.0	100.0	Cash	Further issue of preference shares (4)	65,00,000	6,50,00,000.0	58,50,00,000
February 13, 2007	50,00,000	10.0	100.0	Cash	Further issue of preference shares (5)	1,15,00,000	11,50,00,000.0	1,03,50,00,000
October 29, 2007	(1,15,00,000)	10.0	-	-	Conversion of preference shares to equity shares(6)	-	-	-

1. *Allotment of Preference Shares to Mr. Nimesh Kampani jointly with Ms. Aruna Kampani (10)*
2. *Redemption of Preference Shares (10)*
3. *Allotment of 9% Optionally Convertible Non-cumulative Redeemable Preference Shares to JMFL (40,00,000)*
4. *Allotment of 9% Optionally Convertible Non-cumulative Redeemable Preference Shares to JMFL (25,00,000)*
5. *Allotment of 9% Optionally Convertible Non-cumulative Redeemable Preference Shares to JMFL (50,00,000)*
6. *Conversion of 9% Optionally Convertible Non-cumulative Redeemable Preference Shares held by JMFL to equity shares (1,15,00,000)*

Share holding pattern of our Company as of December 31, 2018

Category	Category & Name of shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
						No. (a)	As a % of total Shares held(b)	
A	**Shareholding pattern of the Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals / Hindu Undivided Family	0	0	0	0.0000	0	0.0000	0
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0.0000	0
(c)	Bodies Corporate	6*	54,09,39,050	54,09,39,050	99.35	0	0.0000	54,09,39,050
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0.0000	0
(d)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	Sub Total (A)(1)	**6**	**54,09,39,050**	**54,09,39,050**	**99.35**	**0**	**0.0000**	**54,09,39,050**
2	**Foreign**							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0.0000	0
(b)	Government	0	0	0	0.0000	0	0.0000	0
(c)	Institutions	0	0	0	0.0000	0	0.0000	0
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0.0000	0
(e)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	Sub Total (A)(2)	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**

	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)	**6**	**54,09,39,050**	**54,09,39,050**	**99.35**	**0**	**0.0000**	**54,09,39,050**
B	**Public shareholder**							
1	**Institutions**							
(a)	Mutual Fund	0	0	0	0.0000	0	0.0000	0
(b)	Venture Capital Funds	0	0	0	0.0000	0	0.0000	0
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0.0000	0
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0.0000	0
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0.0000	0
(f)	Financial Institutions / Banks	0	0	0	0.0000	0	0.0000	0
(g)	Insurance Companies	0	0	0	0.0000	0	0.0000	0
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0.0000	0
(i)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	JM Financial Group Employees' Welfare Trust	1	35,60,950	35,60,950	0.65	0	0.0000	35,60,950
	Sub Total (B)(1)	**1**	**35,60,950**	**35,60,950**	**0.65**	**0**	**0.0000**	**35,60,950**
2	**Central Government/ State Government(s)/ President of India**							
	Central Government / State Government(s)	0	0	0	0.0000	0	0.0000	0
	Sub Total (B)(2)	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**
3	Non-Institutions							
(a)	Individuals		0	0	0.0000	0	0.0000	0
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	0	0	0	0.0000	0	0.0000	0

	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	0	0	0	0.0000	0	0.0000	0
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0.0000	0
(c)	Employee Trusts	0	0	0	0.0000	0	0.0000	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0.0000	0
(e)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	Trusts	0	0	0	0.0000	0	0.0000	0
	Foreign Nationals	0	0	0	0.0000	0	0.0000	0
	Hindu Undivided Family	0	0	0	0.0000	0	0.0000	0
	Foreign Companies	0	0	0	0.0000	0	0.0000	0
	Non Resident Indians (Non Repat)	0	0	0	0.0000	0	0.0000	0
	Non Resident Indians (Repat)	0	0	0	0.0000	0	0.0000	0
	Foreign Portfolio Investor (Individual)	0	0	0	0.0000	0	0.0000	0
	Clearing Member	0	0	0	0.0000	0	0.0000	0
	Bodies Corporate	0	0	0	0.0000	0	0.0000	0
	Sub Total (B)(3)	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	**1**	**35,60,950**	**35,60,950**	**0.65**	**0**	**0.0000**	**35,60,950**
C	**Total Non-Promoter-Non Public Shareholding**							
1	Custodian/DR Holder	0	0	0	0.0000	0	0.0000	0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0.0000	0

	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**
	Total	**7**	**54,45,00,000**	**54,45,00,000**	**100.0000**	**0**	**0.0000**	**54,45,00,000**

**Out of 54,09,39,050 Equity Shares held by JMFL, 5 Equity Shares are held by it jointly with its five nominees and hence, the promoter is only one entity viz., JMFL and not six promoters.*

Our top ten shareholders and the number of Equity Shares held by them as on December 31, 2018

S. No.	Name*	No. of Equity Shares (face value of ₹ 10 each)	No. of Equity Shares in demat form	As % of total number of shares
1	JMFL	54,09,39,050*	54,09,39,050*	99.35
2	JM Financial Group Employees' Welfare Trust	35,60,950	35,60,950	0.65
	TOTAL	**54,45,00,000**	**54,45,00,000**	**100**

*inclusive of 5 Equity Shares jointly held by JMFL with its five nominees

The list of top ten debenture holders as of January 25, 2019

S. No.	Name of holder	Address of holder	Aggregate amount (in ₹ crores)
1.	ICICI Prudential Mutual Fund	HDFC Bank Limited, Custody Services, Lodha-I Think Techno Campus, Office Floor 8, Kanjurmarg (East), Mumbai - 400042	598.3
2.	Adani Ports And Special Economic Zone Limited	Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad - 380009	372.0
3.	Aditya Birla Mutual Fund	Citibank N.A. Custody Services Fifc – 11th Floor, G Block, Plot C-54 And C-55, Bandra Kurla Complex, Bandra (East), Mumbai - 400098	300.0
4.	UTI Mutual Fund	UTI Mutual Fund, UTI Asset Management Company Ltd., Dept. of Fund Accounts, UTI Tower, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	178.4
5.	Bank of Baroda	DGM, Bank of Baroda, Specialized Integrated Treasury Branch Bst ,4th and 5th Floor, C-34, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	150.0
6.	Franklin Templeton Mutual Fund	Citibank N.A. Custody Services Fifc – 11th Floor, G Block, Plot C-54 And C-55, Bandra Kurla Complex, Bandra (East), Mumbai - 400098	145.0
7.	IDFC Bank Limited	Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	120.0
8.	L & T Mutual Fund	Citibank N.A. Custody Services Fifc – 11th Floor, G Block, Plot C-54 And C-55, Bandra Kurla Complex, Bandra (East), Mumbai - 400098	108.0
9.	Kotak Mutual Fund	Kotak Mahindra Trusteeship Ser Limited, 27 BKC, 6th Floor, Plot No. C 27, G Block, Bandra Kurla Complex Bandra (East), Mumbai – 400051	74.4
10.	Axis Mutual Fund	Deutsche Bank AG, DB House, Hazarimal Somani Marg, P.O. Box No. 1142, Fort, Mumbai – 400025	60.0

*The address of the debenture holders have been obtained from the beneficiary position statement made available made by the RTA, *viz.*, Karvy Fintech Private Limited (formerly known as KPCL Advisory Services Private Limited).

Debt to equity ratio

The debt to equity ratio prior to this Issue is based on a total outstanding debt of ₹ 6,146.4[(1)] crores and shareholder funds amounting to ₹ 1,565.3 crores as on December 31, 2018. The debt equity ratio post the Issue, (assuming subscription of NCDs aggregating to ₹ 2,000 crores) would be 5.2 times, based on a total outstanding debt of ₹ 8,146.4 crores and shareholders funds of ₹ 1,565.3 crores as on December 31, 2018.

(in ₹crores)

Particulars	**Prior to the Issue (as of December 31, 2018)**	**Post the Issue#**
Debt Securities	4,936.7	6,936.7
Borrowings (Other than Debt Securities)	1,209.7	1,209.7
Total Debt[(1)]	6,146.4	8,146.4
Equity Share capital	544.50	544.50
Other Equity	1,020.8	1,020.8
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-
Total Shareholders' Funds	1,565.3	1,565.3
Debt Equity Ratio (No. of Times)#	3.9	5.2

[#]The debt-equity ratio post the Issue is indicative and is on account of assumed inflow of ₹ 2,000 crores from the Issue and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

[(1)]Borrowing through non-convertible debentures shown at face value without considering premium/unamortized discount on issue of ₹ 1.7 crore. Borrowing through commercial papers shown at face value without considering discount of ₹ 58.2 crore. Total borrowing is excluding effective interest rate impact amounting to ₹ 11.3 crore.

* Issue amount of ₹ 2,000 crores is classified under Debt Securities.

For details on the total outstanding debt of our Company, please refer to the section titled "*Disclosures on Existing Financial Indebtedness*" beginning on page 132 of this Draft Shelf Prospectus.

It is clarified that no other securities including shares of the Company were either purchased or sold by the Promoter Group, Directors of the Company and their relatives within 6 months immediately preceding the date of this Draft Shelf Prospectus.

We confirm that no securities of any subsidiary company of the Company have been purchased or sold by the Promoter Group, Directors of the Company and their relatives within 6 months immediately preceding the date of this Draft Shelf Prospectus.

ESOP Scheme

The Board of Directors of the Company in their meeting dated November 21, 2007 had given their approval for institution of the "Employees Stock Option Plan".

OBJECTS OF THE ISSUE

Our Company proposes to utilise the funds which are being raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company ("**Net Proceeds**"), towards funding the following objects (collectively, referred to herein as the "**Objects**"):

Issue proceeds

The details of the proceeds of the Issue are summarized below:

Particulars	Estimated amount (in ₹ crores)
Gross proceeds to be raised through each Tranche Issue	As mentioned in the relevant Tranche Prospectus
Less: - Tranche Issue related expenses	As mentioned in the relevant Tranche Prospectus
Net proceeds of the Tranche Issue after deducting the Tranche Issue related expenses	As mentioned in the relevant Tranche Prospectus

The following table details the objects of the Issue and the amount proposed to be financed from the Net Proceeds:

S. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing, and for repayment /prepayment of interest and principal of existing borrowings of the Company [#]	At least 75%
2.	General Corporate Purposes*	Maximum of up to 25%
	Total	**100%**

[#]Our Company shall not utilize the proceeds of the Issue towards payment of prepayment penalty, if any.
[*]The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI Debt Regulations.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Issue.

Issue Related Expenses

The expenses for the Issue include, inter alia, lead management fees and selling commission to the lead managers, lead-brokers, fees payable to debenture trustees, underwriters, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for the Issue is as follows*:

Activity	Expenses (in ₹ crores)
Fees to intermediaries (Lead Management Fee, brokerage, rating agency, registrar, legal advisors, Debenture Trustees etc.)	As mentioned in the relevant Tranche Prospectus
Advertising and Marketing Expenses	As mentioned in the relevant Tranche Prospectus
Printing and Stationery	As mentioned in the relevant Tranche Prospectus
Total	As mentioned in the relevant Tranche Prospectus

Purpose for which there is a requirement of funds

As stated in this section.

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Monitoring of utilisation of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Audit Committee of our Company, constituted by the Board of Directors by way of resolution dated March 16, 2005 shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in the Company's financial statements for the relevant financial year commencing from Financial Year 2019, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue.

Interim use of proceeds

The management of the Company will have flexibility in deploying the proceeds received from the Issue. Pending utilisation of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in income bearing liquid instruments including money market mutual funds, deposits with banks or deploy the funds in income bearing securities as may be approved by the Board / Committee of Directors of the Company, as the case may be. Such investment would be in accordance with the investment policy of our Company approved by the Board or any committee thereof from time to time.

Other confirmations

In accordance with the SEBI Debt Regulations, our Company will not utilise the proceeds of the Issue for providing loans to or acquisition of shares of any person who is a part of the same group as our Company or who is under the same management as our Company or any subsidiary of our Company.

The Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in the usual course of business.

No part of the proceeds from this Issue will be utilized for buying, trading or otherwise dealing in equity shares of any other listed company.

Further the Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations.

The Company confirms that it will not use the proceeds of the Issue for the purchase of any business or in the purchase of any interest in any business whereby the Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

Variation in terms of contract or objects

The Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Draft Shelf Prospectus is issued, except as may be prescribed under the applicable laws and under Section 27 of the Companies Act, 2013.

Benefit / interest accruing to Promoter/Directors out of the object of the Issue

Neither the Promoter nor the Directors of our Company are interested in the Objects of this Issue except to the extent of fees required to be paid to JMFL in their capacity as a Lead Manager.

Utilisation of the proceeds of the Issue

(a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account maintained with the Public Issue Account Bank as referred to in sub-section (3) of section 40 of the Act.

(b) The allotment letter shall be issued or application money shall be refunded in accordance with the applicable law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

(c) Details of all monies unutilised out of the monies to be raised through this Issue, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of the Issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.

(d) Details of all monies utilised out of the monies to be raised through this Issue, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized.

(e) We shall utilize the Issue proceeds only (a) receipt of minimum subscription, i.e. 75% of the Base Issue pertaining to each Tranche Issue; (b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (c) creation of security; and (d) obtaining Listing and Trading approval as stated in this Draft Shelf Prospectus in the section titled "*Issue Structure*" beginning on page 154 of this Draft Shelf Prospectus.

(f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.

(g) The Issue proceeds shall not be utilized for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

The Board of Directors
JM Financial Products Limited
7th Floor, Cnergy, Appasaheb Marathe Marg
Prabhadevi, Mumbai
Maharashtra - 400 025
India
Dear Sirs,

Sub: PROPOSED PUBLIC ISSUE BY JM FINANCIAL PRODUCTS LIMITED ("COMPANY") OF SECURED, REDEEMABLE, NON CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,000 EACH AND UNSECURED, REDEEMABLE, NON CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,000 EACH AGGREGATING UPTO RS. 2,000 CRORE ("NCDS") THROUGH ONE OR MORE TRANCHES ("ISSUE").

We refer to the proposed issue of Non-Convertible Debentures by the Company. We enclose herewith the statement showing the current positions of special tax benefits available to the debenture holders as per the provisions of the Income-tax Act, 1961, ("I.T, Act") and Income tax Rules, 1962 including amendments made by Finance Act 2018 as applicable for inclusion in the draft shelf prospectus and/or shelf prospectus and/or tranche prospectus (es) (together referred to as the "Offer Document") in connection with the Issue. Several of these benefits are dependent on the Company and its debenture holders fulfilling the conditions prescribed under the relevant provisions of the 1.T. Act. Hence, the ability of the debenture holders to derive the direct tax benefits is dependent upon fulfilling such conditions.

We are informed that the debentures of the Company will be listed on recognized stock exchanges in India. The Annexure has been prepared on that basis.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. This statement is only intended to provide general information to the debenture holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each debenture holder is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which a debenture holder can avail. Neither are we suggesting nor are we advising the debenture holders to invest money based on this statement.

We accept no responsibility to debenture holders or any third party and this should be stated in Offer Documents. The contents of the enclosed statement are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express or opine or provide any assurance as to whether:

- The Company or its debenture holders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been / would be met with;
- The revenue authorities/courts will concur with the views expressed herein.

This statement is prepared solely for the purpose of assisting the Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.

We hereby give our consent to include enclosed statement regarding the special tax benefits available to the Company and to its debenture holders in the Offer Documents for the Issue which the Company intends to filed with BSE Limited, the Securities and Exchange Board of India, the relevant Registrar of Companies in India and any other regulatory authorities as required under the applicable laws, in connection with the Issue.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views

are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

This statement has been prepared solely in connection with the Offer under the Regulations.

All Capitalized terms used but not defined herein shall have the same meaning assigned to such terms in the Offer Documents.

Yours Faithfully,

For **Khimji Kunverji & Co.**
Chartered Accountants
(Firm's Registration No. 106146W)

Hasmukh B. Dedhia
Partner
(Membership No. – 33494)

Mumbai, January 31, 2019

ANNEXURE
STATEMENT OF TAX BENEFITS

The information provided below sets out the possible direct tax benefits available to the debenture holders of the company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of non-convertible debentures ("debentures"), under the current tax laws presently in force in India. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a debenture holder faces, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company or its debenture holders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

Debenture holders are advised to consult their own tax consultant with respect to the tax implications of an investment in the debentures particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do no assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

This statement has been prepared solely in connection with the Issue under the Regulations as amended.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

A. Under the Income-Tax Act, 1961 ("I.T. Act")

I. Tax benefits available to the Resident Debenture Holders

1. Interest on debentures received by resident debenture holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.

2. As per section 2(29A) read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

   As per section 112 of the I.T. Act, Capital gains arising on the transfer of long term capital assets being listed debentures are subject to tax at the rate of 10% [plus applicable surcharge and Health and Education Cess ("cess")] of capital gains calculated without indexation of the cost of acquisition. The capital gains shall be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the debentures from the sale consideration.
   In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

3. As per section 2(42A) of the I.T. Act, a listed debenture is treated as a short term capital asset if the same is held for not more than 12 months immediately preceding the date of its transfer.

   Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to

the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 2 above would also apply to such short term capital gains.

4. In case debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

5. Income tax is deductible at source on interest on debentures, payable to resident debenture holders at the time of credit / payment as per the provisions of section 193 of the I.T. Act. However, no income tax is deductible at source in respect of any security issued by a Company in a dematerialized Form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act 1956 and the rules made thereunder.

6. Interest on application money and interest on refund application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A of the I.T. Act

II. Tax benefits available to the Non - Resident Debenture Holders

1. A non-resident Indian has an option to be governed by Chapter XII-A of the I. T. Act, subject to the provisions contained therein which are given in brief as under:

   a. As per section 115C(e) of the I. T. Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.
   b. As per section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition.
   Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
   c. As per section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I. T. Act in accordance with and subject to the provisions contained therein. However, if the new assets are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains claimed earlier would become chargeable to tax as long term capital gains in the year in which the new assets are transferred or converted into money.

   d. As per section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and / or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.

   e. As per section 115H of the I.T. Act, where a non-resident Indian becomes assessable as resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

2. In accordance with and subject to the provisions of section 115-I of the I.T. Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,

a. Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.
b. Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act
c. Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E of the I.T. Act, and at the normal rates for Short Term Capital Gains if the payee debenture holder is a Non - resident Indian.

4. Interest on application money and interest on refund application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 195 of the I.T. Act

5. The income tax deducted shall be increased by surcharge as under:

a. In the case of non-resident Indian, surcharge at the rate of 10% of such tax liability (if net income exceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000) and 15% of such tax liability (if net income exceeds Rs. 1,00,00,000) subject to deduction.
b. In the case of Foreign companies, surcharge is applicable at the rate of 2% of such tax liability where the income or the aggregate of such income paid or likely to be paid and subject to deduction exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000. Surcharge at the rate of 5% of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 10,00,00,000.
c. Cess is to be applied at 4% on aggregate of base tax and surcharge.

6. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate ("TRC"), is a mandatory condition for availing benefits under any DTAA. If the TRC does not contain the prescribed particulars, a self-declaration in Form 10F would need to be provided by the assesse along with TRC.

7. Alternatively, to ensure non-deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

III. Tax benefit available to the foreign portfolio investors (FPIs)

1. As per Section 2(14) of the I.T. Act, any securities held by FPIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act., 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FPIs as capital gains.
2. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FPIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.
3. Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess) in accordance with and subject to the provisions of Section 115AD of the I.T. Act.
4. Section 194LD in the I. T. Act provides for lower rate of withholding tax at the rate of 5% (plus applicable surcharge and cess) on payment by way of interest paid by an Indian company to FPIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company till July 1, 2020 provided such rate does not exceed the rate as may be notified by the Government.
5. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by

FPIs.

IV. Tax benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

V. Exemption under Section 54EE and 54F of the I.T. Act

1. As per provisions of Section 54EE of the I.T. Act, long term capital gains arising to debenture holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified units within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified units are transferred within three years from their date of acquisition, the amount of capital gain claimed earlier would become chargeable tax as long term capital gains in the year in which units are transferred. Further, in case where loan or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which such loan or advance is taken. However, the amount of exemption with respect to the investment made in the aforesaid notified units during the financial year in which such debentures are transferred and the subsequent financial year, should not exceed Rs. 50 lacs.
2. As per provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a debenture holders who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

   This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax claimed earlier would became chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the debenture holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

VI. Requirement to furnish PAN under the I.T. Act

1. Section 139A(5A) of the I.T. Act requires every person receiving any sum or income or amount from which tax has been deducted under Chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deducting such tax.

2. Section 206AA of the I.T. Act requires every person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB ("deductee") to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:

   i. at the rate specified in the relevant provision of the I. T. Act; or
   ii. at the rate or rates in force; or
   iii. at the rate of twenty per cent.

3. As per Rule 37BC, the higher rate under section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect, of payment of interest, if the non-resident deductee furnishes the prescribed details *inter alia* TRC and Tax Identification

Number (TIN).

4. A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per para (I) above in such a case.

5. Where a wrong PAN is provided, it will be regarded as non – furnishing of PAN and para (I) above will apply apart from penal consequences.

VII. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(x) of the I.T. Act, where any person receives debentures from any person on or after 1st April, 2017:

a. without consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;
b. for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration

shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated in section 56(2)(x) of the I. T. Act.

NOTES:

- The statement of tax benefits enumerated above is as per the Income-tax Act, 1961, as amended by Finance Act, 2018.

- Surcharge is levied on individuals, HUF, association of persons, body of individuals and artificial juridical person at the rate of 10% on tax where total income exceeds Rs. 50 lacs but does not exceed Rs. 1 crore and at the rate of 15% on tax where the total income exceeds Rs. 1 crore.

- Surcharge is levied on firm, co-operative society and local authority at the rate of 12% on tax where the total income exceeds Rs. 1 crore.

- Surcharge is levied on domestic companies at the rate of 7% on tax where the income exceeds Rs 1 crore but does not exceed Rs. 10 crores and at the rate of 12% on tax where the income exceeds Rs. 10 crores.

- Surcharge is levied on every company other than domestic company at the rate of 2% on tax where the income exceeds Rs. 1crore but does not exceed Rs. 10 crores and at the rate of 5% on tax where the income exceeds Rs. 10 crores.

- Health and Education Cess is to be applied at the rate of 4% on aggregate of base tax and surcharge.

- Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

The Reformatted Financial Statements of the Issuer included in this Draft Shelf Prospectus are presented in accordance with Indian GAAP, which differs from Indian Accounting Standards ("**IndAS**") in certain respects. The Ministry of Corporate Affairs ("**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of IndAS converged with IFRS for non-banking financial companies, scheduled 50 commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The notification further explains that NBFCs having a net worth of ₹ 50,000 lakh or more as of March 31, 2016, shall comply with IndAS for accounting periods beginning on or after April 1, 2018, with comparatives for the periods ending on March 31, 2018. Therefore, the Issuer would be subject to this notification.

"*Summary of Significant Differences among Indian GAAP and IndAS*", does not present all differences between Indian GAAP and IndAS which are relevant to the Issuer. Consequently, there can be no assurance that those are the only differences in the accounting principles that could have a significant impact on the financial information included in this Draft Shelf Prospectus. Furthermore, the Issuer has made no attempt to identify or quantify the impact of these differences or any future differences between Indian GAAP and IndAS which may result from prospective changes in accounting standards. The Issuer has not considered matters of Indian GAAP presentation and disclosures, which also differ from IndAS. In making an investment decision, investors must rely upon their own examination of the Issuer's business, the terms of the offerings and the financial information included in this Draft Shelf Prospectus. Potential investors should consult with their own professional advisors for a more thorough understanding of the differences between Indian GAAP and IndAS and how those differences might affect the financial information included in this Draft Shelf Prospectus. The Issuer cannot assure that it has completed a comprehensive analysis of the effect of IndAS on future financial information or that the application of IndAS will not result in a materially adverse effect on the Issuer's future financial information.

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
1.	Presentation of Financial Statements	**Other Comprehensive Income:** There is no concept of 'Other Comprehensive Income' under Indian GAAP.	**Other Comprehensive Income:** Ind AS 1 introduces the concept of Other Comprehensive Income ("**OCI**"). Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS. Such recognition of income and expenses in OCI is primarily governed by the income recognition norms and classification of financial instruments and assets as "Fair Value through OCI
		Extraordinary items: Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by	**Extraordinary items:** Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited.

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		an entity.	
		Change in Accounting Policies: Indian GAAP requires changes in accounting policies to be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	**Change in Accounting Policies:** Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.
2.	Deferred Taxes	Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements.	As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base. Using the balance sheet approach, there could be additional deferred tax charge/income on account of all Ind AS opening balance sheet adjustments
3.	Property, plant and equipment – reviewing depreciation and residual value	Under Indian GAAP, the Company currently provides depreciation on straight line method over the useful lives of the assets estimated by the Management.	Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively. Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS
4.	Accounting for Employee benefits	Currently, all actuarial gains and losses are recognized immediately in the statement of profit and loss.	Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re-measurements and the change in asset is split between interest income and re-measurements. Changes due to service cost and net interest cost/ income need to be

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
			recognized in the income statement and the changes arising out of re-measurements comprising of actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are to be recognized directly in OCI.
5.	Provisions, contingent liabilities and contingent assets	Under Indian GAAP, provisions are recognised only under a legal obligation. Also, discounting of provisions to present value is not permitted	Under IND AS, provisions are recognised for legal as well as constructive obligations. IND AS requires discounting the provisions to present value, if the effect of time value of money is material
6.	Share based payments	Under Indian GAAP, company has an option to account for share based payments on the basis of intrinsic value or fair value. The company followed the intrinsic value method and gave a disclosure for the fair valuation.	Under Ind AS, the share based payments have to be mandatorily accounted basis the fair value and the same has to be recorded in the Statement of Profit or Loss over the vesting period. The fair valuation of the unvested options as on the transition date have to be adjusted against retained earnings
7.	Presentation and classification of Financial Instruments and subsequent measurement	Currently, under Indian GAAP, the financial assets and financial liabilities are recognised at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value. Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited. Currently under Indian GAAP, loan processing fees and/or fees of similar nature are recognized upfront in the Statement of Profit and Loss.	Ind AS 109 requires all financial assets and financial liabilities to be recognised on initial recognition at fair value. Financial assets have to be either classified as measured at amortized cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss, (FVTPL), or recognized in other comprehensive income (FVOCI). Financial assets include equity and debts investments, security receipts, interest free deposits, loans, trade receivables etc. Assets classified at amortized cost and FVOCI and the related revenue (including interest subsidy, processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method. Loan processing fees and/or fees of similar nature would be measured and recognised using the Effective Interest Rate (EIR) method over the period of loan. There are two measurement categories for financial liabilities –

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
			FVTPL and amortized cost. Liabilities classified at amortized cost and the related expenses (processing cost & fees) have to be measured using the Effective Interest Rate (EIR) method. Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive
8.	Financial Instruments - Impairment	Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc.	The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortised cost or FVOCI, financing receivables, lease receivables, trade receivables and certain written loan commitments and financial guarantee contracts.
9.	Segment Reporting	Under Indian GAAP there is a requirement to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance.
10.	Financial Instruments - Disclosure	Currently there are no detailed disclosure requirements for financial instruments. However, the ICAI has issued an Announcement in December 2005 requiring the following disclosures to be made in respect of derivative instruments in the financial statements: • Category-wise quantitative data about derivative instruments that are outstanding at the balance sheet date; • The purpose, viz., hedging or speculation, for which such derivative instruments have been acquired; and • The foreign currency exposures that are not hedged by a derivative instrument or otherwise.	Requires disclosure of information about the nature and extent of risks arising from financial instruments: • qualitative disclosures about exposures to each type of risk and how those risks are managed; and • quantitative disclosures about exposures to each type of risk, separately for credit risk, liquidity risk and market risk (including sensitivity analysis).

SECTION IV: ABOUT THE ISSUER AND INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section has been obtained or derived from the report titled "NBFC Coverage" by CRISIL (the "**CRISIL Report**"), as well as other industry sources and government publications. All information contained in the CRISIL Report has been obtained by CRISIL from sources believed by them to be accurate and reliable. Although reasonable care has been taken by CRISIL to ensure that the information in the CRISIL Report is true, such information is provided 'as is' without any warranty of any kind, and CRISIL in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion. None of the Company, the Lead Managers and any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. The information in this section must be read in conjunction with "Risk Factors" and "Our Business" on pages 12 and 92, respectively.*

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MACRO Environment

CRISIL research believes real GDP growth would rebound to 7.6% in fiscal 2019 from 6.5% this fiscal as the transitory disruption from GST implementation would wane and a low base would help. Growth would continue to be consumption led as interest rates are expected to remain soft and inflation under control. Implementation of seventh pay commission hikes at the state level would help. Growth would also be mildly supported by public spending (with a rural focus) in infrastructure, especially roads. Government's Rs. 2.11 lakh bank recapitalization plan would mean that the banks would be sufficiently funded to support growth. On the external front too, global recovery is expected to gather pace (S&P Global expects world GDP to grow 10 bps to 3.7% this fiscal) and which should help Indian exports, which were held back to some extent on account of GST-related glitches.



Source: CSO

Nuances of GDP growth (%)

At basic prices	FY14	FY15	FY16	FY17	FY18 AE
Agriculture & allied	5.6	-0.2	0.7	4.9	2.1
Industry	3.8	7.5	8.8	5.6	4.4
o/w Manufacturing	5.0	8.3	10.8	7.9	4.6
Mining	0.2	11.7	10.5	1.8	2.9
Services	7.7	9.7	9.7	7.7	8.3
GVA	6.1	7.2	7.9	6.6	6.1

At market prices	FY14	FY15	FY16	FY17	FY18 AE
Pvt. Consumption	7.3	6.2	6.1	8.7	6.3
Govt. Consumption	0.6	9.6	3.3	20.8	8.5
Fixed Investment	1.6	3.4	6.5	2.4	4.5
Exports	7.8	1.8	-5.3	4.5	4.5
Imports	-8.1	0.9	-5.9	2.3	10.0
GDP	6.4	7.5	8.0	7.1	6.5

Source: CSO

NBFC OVERVIEW

NBFCs grew at a strong pace in the first half of fiscal 2019, up ~17% on-year. However, the default of IL&FS in mid-September created panic and investor confidence in lending to NBFCs dipped. This subsequently led to a spike in market rates and slowdown in commercial paper (CP) and bond issuances for all NBFCs. Investors' risk perception increased significantly towards players with negative asset liability management (ALM) mismatch and high exposure to developer financing. NBFCs that have been relying heavily on short-term CP instruments to grow their book will find it difficult to grow at the same pace and will witness a sharp slowdown in their growth in the second half of fiscal 2019. Meanwhile, banks have played an active role in directly lending to NBFCs or securitising their assets and partly made up for the lower appetite of mutual funds towards CP issuances of NBFCs. CRISIL Research believes that the current liquidity squeeze will soften gradually over time until the end of the first half of fiscal 2020.

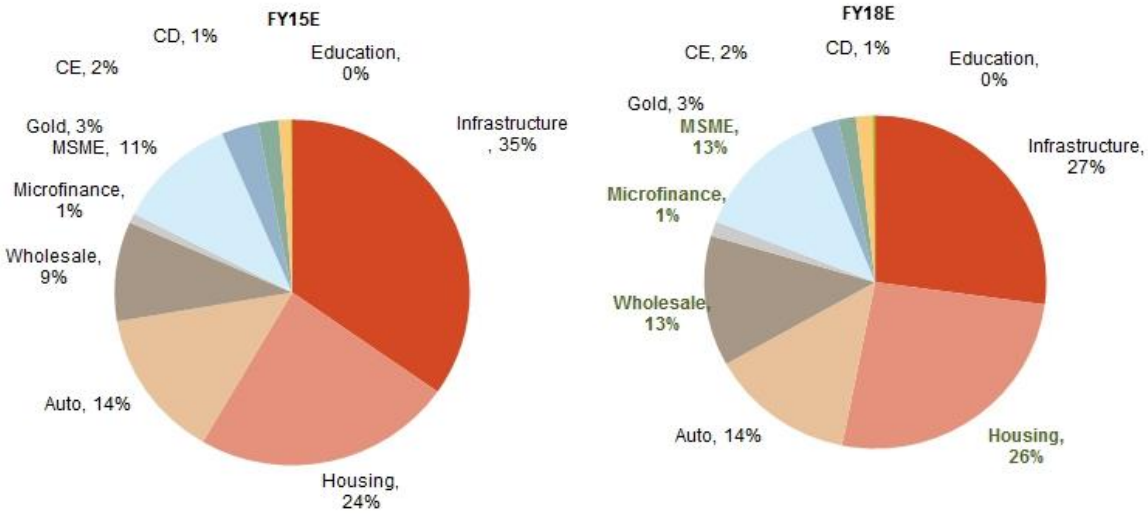
Positive developments notified by the Reserve Bank of India (RBI) and the government post bond market roil:

- 2% additional liquidity coverage ratio (LCR) carved out from mandatory statutory liquidity ratio (SLR)
- More frequent and higher open market operations (OMOs) post September; Lower government borrowings in second half of fiscal 2019
- RBIs commitment to flush economy with adequate liquidity
- National Housing Bank (NHB) increased refinancing window for HFCs by Rs. 60 billion; SBIs plan to buy additional NBFC loan assets worth Rs 300 billion
- RBI allowed banks to act as a partial credit guarantor to bonds issued by NBFCs to refinance existing debt (upto 1% of their capital)

Most retail segments to continue to grow at healthy pace

The retail segment, which comprises the housing, auto and micro, small & medium enterprises (MSMEs) sectors, accounted for more than half of the overall NBFC market pie as of March 2018. The share of infrastructure loans, which currently accounts for more than 25% of the pie, has been shrinking consistently over the past few years. HFCs, wholesale and diversified NBFCs, on the other hand, have gained market share at the expense of infrastructure and auto financing NBFCs.

Share of different segments in overall NBFCs' book

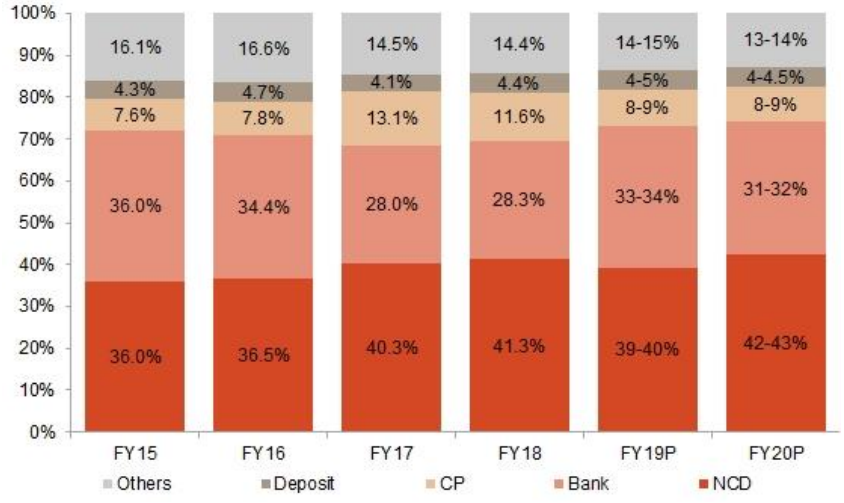


Source: NHB, RBI, Microfinance Institutions Network (MFIN), company reports, CRISIL Research

Players to focus more on managing liquidity and matching ALM in the near term; CP exposures to decline

Competitive market rates and easy access to market borrowings led to an increase in mix of CPs/NCDs till fiscal 2018. Proportion of market borrowings in the borrowing mix of non-banks has been in the range of 6-10% over the past three years. However, with cautious mutual fund debt investor post IL&FS default and market rates moving higher than the banks MCLR rate and will lead higher bank borrowings going forward. We expect bank borrowings to increase sharply by ~5% in fiscal 2019, conversely CP share will come down by ~3% in fiscal 2019.

Trend in resource profile of NBFCs:



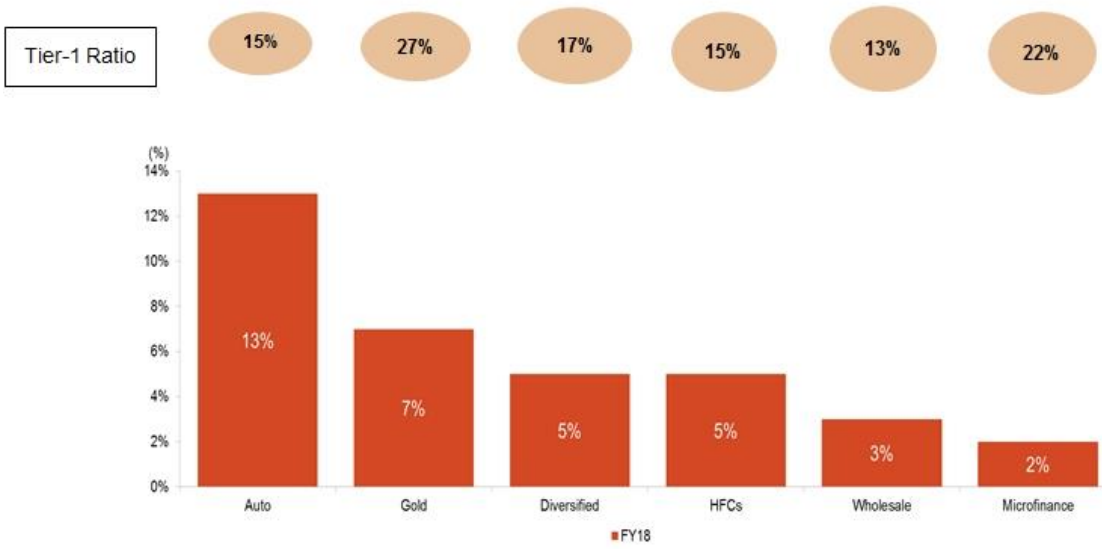
Note: Government backed Infrastructure NBFCs are not considered

Source: Company reports, CRISIL Research

NBFCs well capitalised; net NPA to networth ratio at comfortable levels

Most of the NBFCs except wholesale NBFCs are well capitalised to support the next leg of growth, However, availability of debt funds is the key. Most of the non-banks except auto NBFCs have reasonable net NPA to net worth ratio.

Segment wise net NPA to net worth as on FY18



Source: CRISIL Research

Given the importance of NBFCs in financial system especially by accessing public funds and inter-connectedness with banking, they are subject to prudential regulations by the Reserve Bank of India (RBI) as given below:

Regulatory distinction between banks and NBFCs

	NBFC - ND - SI	NBFC - D	Banks^ (Basel - III)
Minimum net owned funds	Rs 20 million	Rs 20 million	N.A
Capital adequacy	15.0%	15.0%	9.0%
Tier – I Capital #	10.0%	10.0%	7.0%
GNPA recognition	90 days	90 days	90 days
Cash Reserve Ratio (CRR)	n.a	n.a	4.0%
Statutory liquidity ratio (SLR)	n.a	15.0%	19.5%
Priority sector	n.a	n.a.	40% of advances
SARFAESI eligibility	Yes*	Yes*	Yes
Exposure norms	Single borrower: 15% (+10% for IFC)	Single borrower: 15%	Single borrower: 15% (+5% for infrastructure projects)
	Group of borrowers: 25% (+15% for IFC)	Group of borrowers: 25%	Group of borrowers: 40% (+10% for infrastructure projects)
Standard asset provisioning	0.4%	0.4%	0.4%

Note : n.a: not applicable
Min. net owned funds for NBFC-MFI and NBFC -Factors is Rs 50 million, while for IFC it is Rs. 300 crore

#currently 10% for Infrastructure finance companies and proposed to be increased to 10% for all NBFCs except - gold loan NBFCs who will have to maintain 12%
^Under phase-wise implementation of Basel III by March 2019; numbers are excluding capital conservation buffer of 2.5%
**Union budget 2015-16 allowed NBFCs to use SARFAESI Act, NBFCs with asset base of 500 crore or above, in respect of loans 1 crore or above*

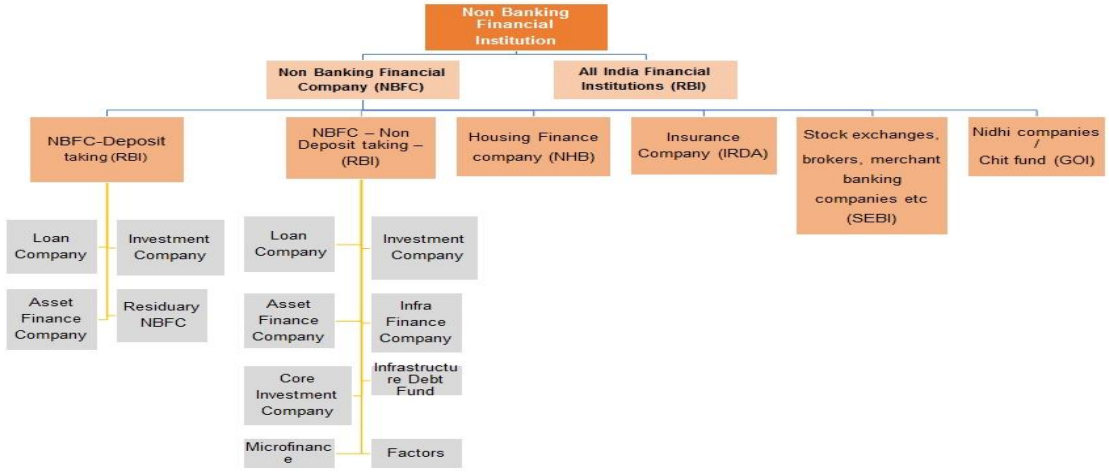
Source: CRISIL Research

NBFCs lend and make investments akin to banks; however, there are a few differences: NBFCs cannot accept demand deposits or issue cheques drawn on themselves; they do not form part of payment and settlement system; and deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

Non-banking financial institutions structure in India

Indian financial system includes banks and non-bank financial institutions. Though banking system dominates financial services, non-banking financial institutions have grown in importance by carving a niche for themselves in under-penetrated regions and unbanked segments.

Structure of Non-Banking Financial Institution of India



Note: The regulatory authority for the respective institution is indicated within the brackets. All-India financial institutions including NABARD, SIDBI and EXIM Bank

Source: RBI, CRISIL Research

Classification of NBFCs

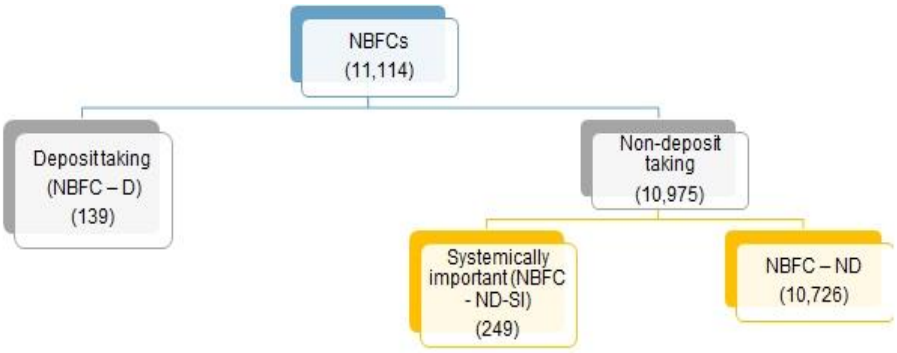
NBFCs have been classified on the basis of kind of liabilities they access, type of activities they pursue and their perceived systemic importance.

Liabilities-based classification

NBFCs are classified on the basis of liabilities in to two broad categories a) deposit taking and b) non-deposit taking. Deposit taking NBFCs (NBFC D) are subject to requirements of stricter capital adequacy, liquid assets maintenance, and exposure norms etc.

Further, in 2015, non-deposit taking NBFCs with asset size of Rs 5 billion and above were labelled as systemically important non-deposit taking NBFCs (NBFC ND SI) and separate prudential regulations were made applicable to them.

Classification of NBFCs based on liabilities



Note: Figures in brackets represent number of entities registered with RBI as of 31st May 2018
Source: RBI, CRISIL Research

Activity based classification

I. Asset Finance Company (AFC)

Asset finance company (AFC) is a financial institution carrying on as its principal business, financing of physical assets supporting productive/economic activity such as automobiles, tractors, lathe machines, generator sets, earth-moving and material-handling equipment, and general purpose industrial machines. An AFCs principal business is financing physical assets to support economic activity; income arising therefrom is not less than 60% of its total income. Its assets from financing physical assets amount to not less than 60% of its total assets.

II. Investment Company (IC)

Investment Company is a financial institution carrying on acquisition of securities as its principal business.

III. Loan Company (LC)

Loan Company means a financial institution carrying on as its principal business, providing of finance, whether by making loans or advances or otherwise for any activity other than its own -- does not include an AFC.

IV. Infrastructure Finance Company (IFC)

Infrastructure finance company (IFC) is a non-banking finance company, which deploys at least 75% of its total assets in infrastructure loans, and has minimum net owned funds of Rs. 300 crore, minimum credit rating of A or equivalent and 15% CRAR.

V. Systemically Important Core Investment Company (CIC-ND-SI)

CIC-ND-SI is an NBFC in the business of acquisition of shares and securities and satisfying following conditions:

a) Holds not less than 90% of its total assets in the form of investment in equity shares, preference shares, debt or loans in group companies.
b) Investments in equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitute not less than 60% of its total assets.
c) Does not trade in its investments in shares, debt or loans in group companies except through block sale for dilution or disinvestment.
d) Does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of RBI Act, 1934, except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group.
e) Companies or guarantees issued on behalf of group companies.
f) Asset size is Rs 500 crore or above.
g) Accepts public funds.

VI. Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC)

IDF-NBFC is a company registered as NBFC to facilitate flow of long-term debt into infrastructure projects. IDF-NBFC raises resources through issue of rupee or dollar-denominated bonds of minimum five-year maturity. Only IFCs can sponsor IDF-NBFCs.

VII. Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI)

NBFC-MFI is a non-deposit-taking NBFC with not less than 85% of its assets in the nature of qualifying assets, which satisfy the following criteria:

- NBFC-MFI can disburse loans to borrowers with rural household annual income not exceeding Rs. 100,000 or with urban and semi-urban household income not exceeding Rs. 1,60,000.
- Loan amount does not exceed Rs 50,000 in the first cycle and Rs 1,00,000 in subsequent cycles. Total indebtedness of the borrower does not exceed Rs 1,00,000.
- Loan tenure to not be less than 24 months for loan amount in excess of Rs 15,000 with prepayment without penalty
- Loan to be extended without collateral
- Aggregate amount of loans, given for income generation, is not less than 50% of total loans given by MFIs.
- Loan is repayable on weekly, fortnightly or monthly instalments as per borrowers choice.

VIII. Non-Banking Financial Company Factors (NBFC-Factors)

NBFC-Factor is a non-deposit-taking NBFC engaged in the principal business of factoring. Financial assets in the factoring business should constitute at least 50% of its total assets and income derived from factoring business should not be less than 50% of its gross income.

IX. Mortgage Guarantee Companies (MGC)

MGC are financial institutions for which at least 90 per cent of the business turnover is mortgage guarantee business or at least 90 per cent of the gross income is from mortgage guarantee business and net owned fund is 100 crore.

X. NBFC- Non-Operative Financial Holding Company (NOFHC)

NOFHC is a financial institution through which promoter / promoter groups will be permitted to set up a new bank. It's a wholly-owned Non-Operative Financial Holding Company (NOFHC) which will hold the bank as well as all other financial services companies regulated by RBI or other financial sector regulators, to the extent permissible under the applicable regulatory prescriptions.

SEGMENTWISE OUTLOOK

I. WHOLESALE FINANCE

Wholesale finance represents lending services to medium to large-sized corporates, institutional customers and real estate developers by banks and other financial institutions. It encompasses long and short-term funding, with long-term loans accounting for a majority of the loan book.

Wholesale financing products

Products	Remarks	Tenure	Interesr rate
1. Real estate finance (structured credit or plain vanilla)	· Short to long term loans for projects at various stages of implementation i.e. acquisition funding, inventory funding, buying commercial properties · Escrow and hypothecation of project receivables and mortgage of property · Loan to value offered is 60-70% in case of residential projects and 5-10% lower in case of commercial projects	short to long term	Floating
2. Structured credit for businesses	· Medium to long term working capital requirements, bridge loans, acquisition financing and equity investment · The schedule of repayments is based on company's projected future cash flows · Debt covenants on these loans are based on predefined levels of EBITDA growth and margins, as well as manageable levels of interest expenses · In some cases off balance sheet funding is provided like operating lease · Collateral required 1.5-2 times the loan amount in the form of property and listed/unlisted share	Medium to long term	Floating
3. Structured collateralized credit	· Promoters get loans by leveraging their shareholding and pledging their other assets (properties) as collateral · The schedule of repayments is based on company's projected future cash flows · Collateral required 1.5-2 times the loan amount in the form of property and listed/unlisted share	Medium to long term	Floating
4. Corporate finance (plain vanilla)	· Secured loans	Short to long term	Fixed or Floating
5. Unsecured loans to corpoartes	· Loans of upto Rs 50 lacs	upto 3 years	Floating
6. Capital market lending	· Loans of upto Rs 150 cr,	upto 1 year	Fixed
7. Loan against securities (MFs, shares, securities, bonds)	· Collateral required 2 times the loan amount in the form of property		
8. Loan syndication	· Syndicate loans for structured finance, mezzanine loans, subordinated debt, securitisation of receivables, buyer's credit, bank guarantees, bill discounting lines, letters of credit, etc.	long term	Floating

Source: CRISIL Research

Wholesale finance market expanded by 7% CAGR in the past five years

CRISIL Research estimates the market size of wholesale financing (including lending by banks, non-banking financial companies (NBFCs) and housing finance companies (HFCs)) at Rs 27 trillion, as of March 2018. The market grew at a compounded annual growth rate (CAGR) of 7% between fiscals 2013 and 2018, reflecting the increasing caution of banks in funding corporates, given the high rate of delinquencies and capital constraints.

Banks have a higher market share in wholesale lending vis--vis NBFCs. Banks extend long and short-term funding to diverse sectors.

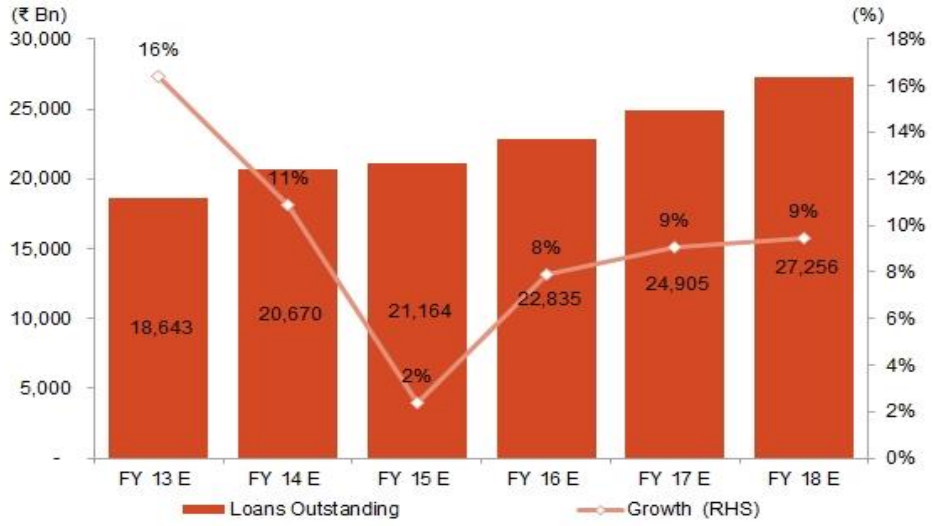
On the other hand, NBFCs have limited exposure in long-term funding, except for certain public NBFCs that cater to the infrastructure sector. For the purposes of our analysis, we have excluded lending to the infrastructure sector, and covered only loans offered to large corporates in non-infrastructure segments.

As banks currently account for 88% of the market, slowdown in advances by banks has pulled down market growth. CRISIL research expects credit growth of banks in the corporate sector to remain muted over the next two years as banks are still grappling with high gross non-performing assets (GNPAs) in the corporate sector.

Some of the large banks have been put under prompt corrective action (PCA) limiting their ability to lend, this will result higher demand from corporates for non-banks.

On the other hand, NBFCs and (HFCs-developer loan portfolio) had seen strong growth in their wholesale financing books with easy availability of funds in the past. However, with current liquidity squeeze we expect non-banks growth to slower down to ~9% in fiscals 2019 and pick up only to 12% in fiscal 2020 compared to 26-27% compounded growth over past five years.

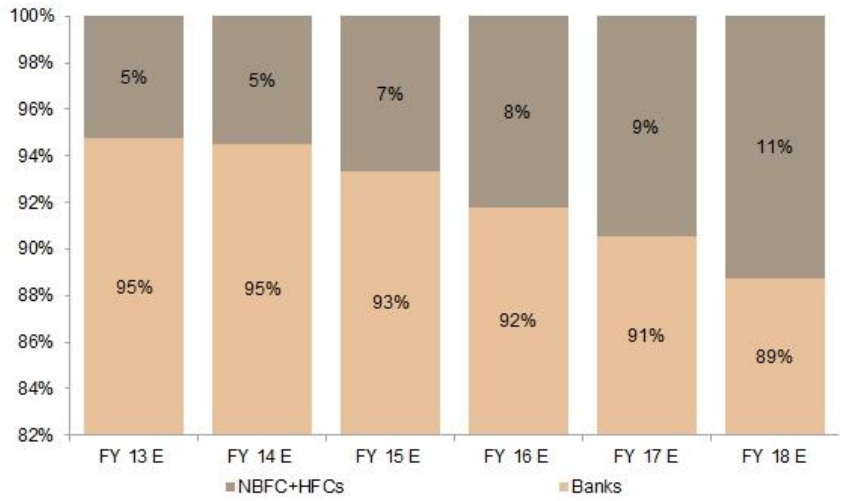
Poor growth in banking credit led to overall slowdown in outstanding growth for industry



E: Estimated
Note: Industry numbers are minus infrastructure and SME finance for banks and NBFCs, and includes developer loan as well as other large corporate loan portfolio of HFCs.

Source: Reserve Bank of India (RBI), CRISIL Research

Significant increase in NBFC s share in the past two years

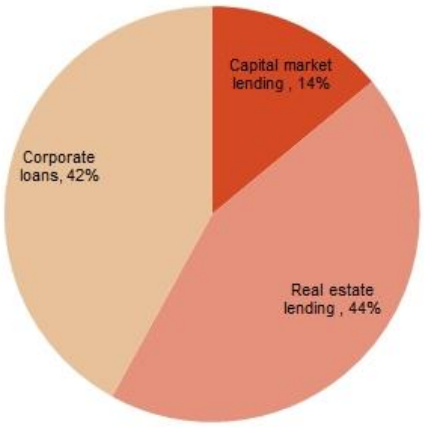


E: Estimated Note: HFC portfolio includes only developer loan and other corporate loan
Source: RBI, NHB, Company Annual Reports, CRISIL Research

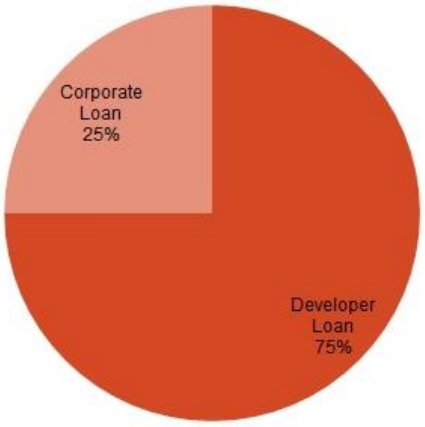
Please note, analysis in the following sections are based on the non-banks wholesale portfolio, and does not include infra loans by non-banks.

Real estate financing accounts for majority share in overall wholesale credit (FY 18 estimated)

NBFCs' wholesale portfolio



HFCs' wholesale portfolio



Note: HFCs breakup representing 70 percent of the industry

Source: CRISIL Research estimates, Industry

Wholesale finance players mainly concentrated in top five to six cities

The penetration of wholesale finance players is primarily in metros and tier 1 cities like Mumbai, Bengaluru, Delhi NCR, Pune, Chennai , Hyderabad and Kolkata . Wholesale financiers in real estate finance mainly work with top developers in these cities.

Wholesale financing NBFCs gain market share through innovative product offerings, and strong relationship with corporates

Customised solutions

NBFCs offer customised loan structures with features such as interest moratorium and bullet repayment schedules, which are not offered by banks. In addition, NBFCs also often extend credit to developers for land financing and early-stage project financing.

Lower turnaround time

Customers often require funds in a timely manner for funding business growth and/or managing liquidity crunch. NBFCs are able to meet the requirement of such clients due to their faster turnaround time. On average, NBFCs disburse a large-ticket loan to a new customer within 45-60 days.

Slow decision-making process in public sector banks

Decision-making cycles in some public sector banks (PSBs) has elongated considerably, owing to risk aversion and fragile capital position. This has also contributed to the growth of NBFCs.

Strong client relationships

Some NBFCs in this space have strong client relationships due to their presence in allied businesses, or because they are supported by well-established parent companies. This aids them in both securing business and in risk assessment.

Curbs imposed on banks under prompt corrective action (PCA) framework will also support NBFCs outstanding growth

Various curbs such as stopping branch expansion and limiting loan limits are imposed on banks which are put under PCA framework. Currently there are 11 banks under RBI's PCA list. These banks account for 18% of banks' credit as on March 2018. We expect NBFCs to gain from this development.

Non-applicability of GST on projects with occupation certificate resulting in additional funding to complete project

Some developers, whose projects are at an advanced stage of construction, are opting for additional funding to accelerate project completion and begin sales thereafter (as projects with occupation certificate are not subject to goods and services tax (GST), whereas GST of 12% is payable on under construction projects.

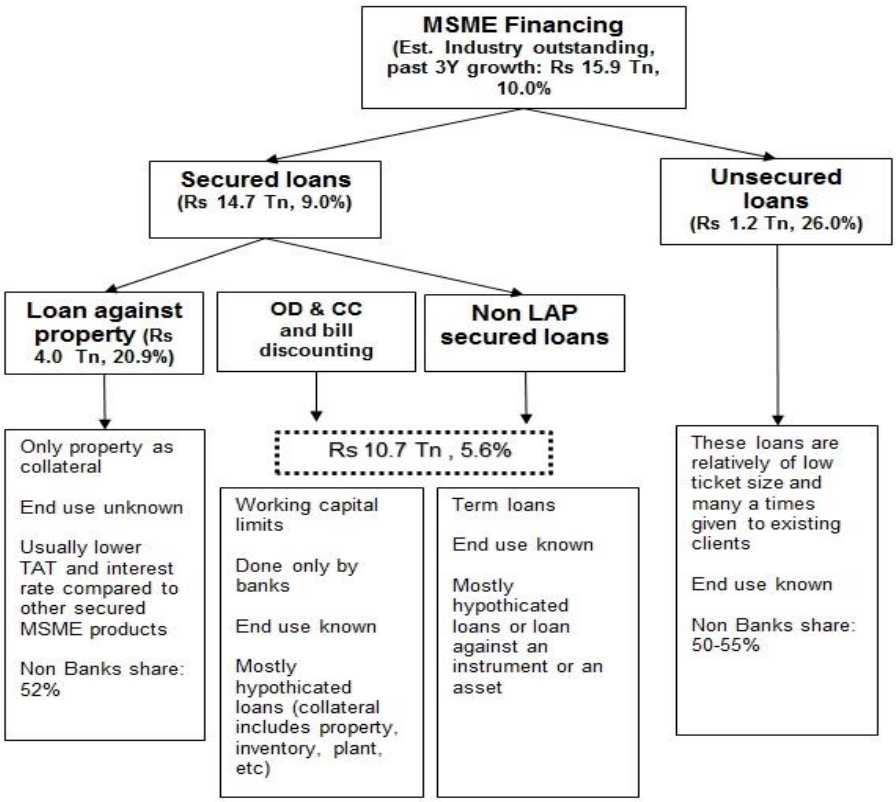
Interim financing requirement of companies in NCLT expected to grow

In the IBC Code, interim funding of companies in NCLT are allowed. Companies in NCLT are allowed to borrow money in as interim financing which is the senior most financing and gets paid first. These are usually monitored by RP and the NCLT. Loans are given to giving the loan to the resolution professional monitored company inside NCLT and not to the promoters. There is a large need for interim funding on account of many companies going into NCLT and requiring loans for their operations. Some wholesale finance NBFCs have started focusing on the segment.

As per industry sources funding opportunities under RERA regime have increased on account of

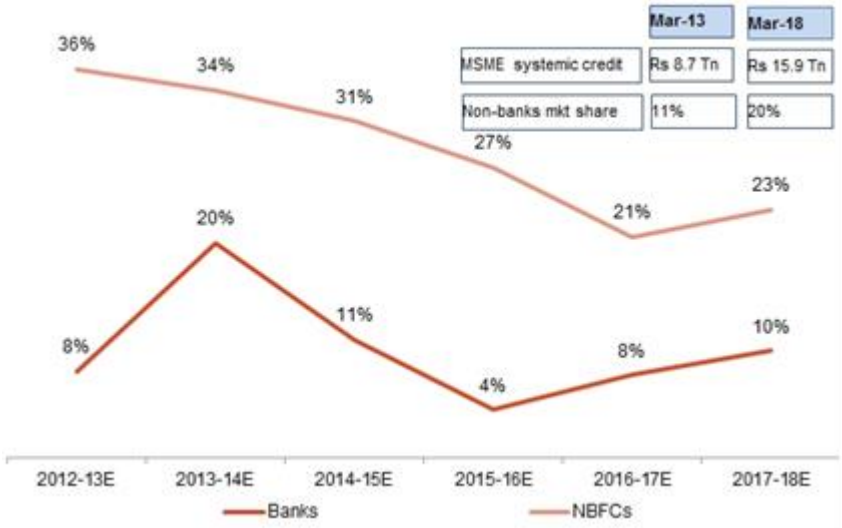
- Developers need to set aside 70% of the sale proceeds from a particular project only for constructing that particular project; for new projects or for growth capital, fresh funding would be required.
- Unlike earlier, developers cannot sell a project before getting the requisite approvals; this would also increase the need for funding at the pre-approval stage.

II. MSME FINANCING



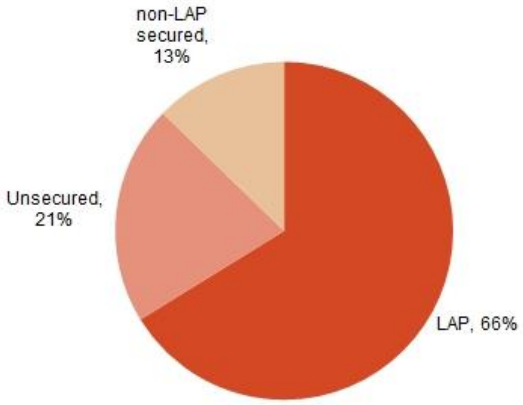
Note: OD & CC overdraft facility and cash credit facility Source: RBI, company reports, CRISIL Research

Non-banks fast increasing their market share in SME credit; accounted for ~20% of aggregate SME credit in fiscal 2018



Source: RBI, company reports, CRISIL Research

Portfolio mix of non-banks



Source: Company reports, CRISIL Research

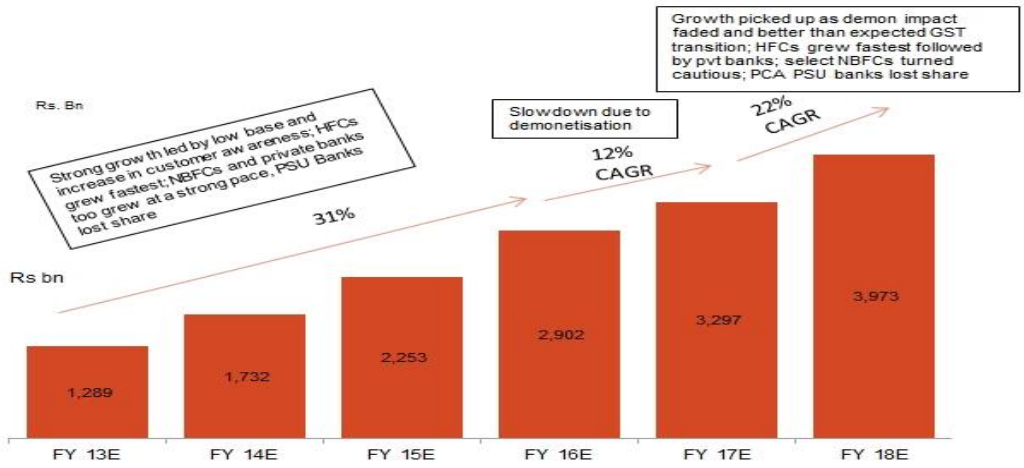
Evolving landscape of Loans against property (LAPs)

LAP to grow at a modest pace over the next 2 years

A LAP is availed of by mortgaging a property (residential or commercial) with the lender. The end-use of the loan amount is not closely monitored. It could be used for either business or personal purposes. It can be availed of by both salaried and self-employed individuals. LAP is a secured loan, as it provides collateral to the financier in the form of the property. Its interest rate is lower compared with personal or business loans. For all these reasons, LAPs have grown popular among borrowers in recent years.

LAP market picked up pace in fiscal 2018 as demonetisation and Goods and Services Tax (GST) impact wore off CRISIL Research estimates the total outstanding LAP to have grown at a compounded annual growth rate (CAGR) of 25% over the past 5 years to reach Rs 4.0 trillion by March 2018. Growth was led by increase in product awareness coupled with increase in financiers willingness to lend. LAPs offer relatively lower turnaround time, bear lower interest rate, and also requires less documentation compared with other secured SME products. Moreover, rising property prices, increase in formalisation in the economy, rise in loan-to-value ratios, and greater penetration beyond top 10 cities have also supported strong LAP growth.

LAP market grew 22% in fiscal 2018 to reach Rs. 4 trillion



Note: Includes banks and non-banks
Source: CRISIL Research

With high competition, all time low yields, asset quality concerns and current liquidity issues, CRISIL Research believes the LAP market outstanding to grow at a modest 14-15% CAGR over the next 2 years and touch Rs. 5.2 trillion by fiscal 2020.

Key factors contributing to high LAP growth in the medium term will be:

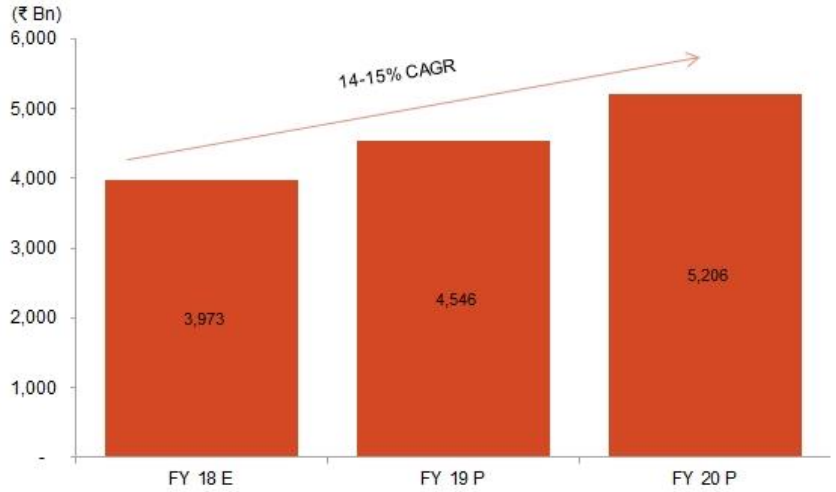
1. Quick turnaround time, lower interest rate: LAP loan gets disbursed in approximately half the time taken for a secured micro, small and medium enterprise (MSME) loan. It is also offered at a lower interest rate compared with secured MSME loans, unsecured personal and business loans. Increasing customer awareness will help sustain strong growth.

2. Greater transperancy in the system: Demonetisation, GST, and governments strong push for digitisation have led to higher transparency in the system. This will keep pushing up loan amount eligibility of borrowers. Formalisation will also help many new borrowers to come under the ambit of formal lending channels.

3. Rising penetration of formal channels: Increase in penetration and availability of formal lending channels in other than top 10 cities will take away market share from money lenders.

4. Higher comfort for lenders: Lenders are comfortable disbursing LAP loans as it offers favourable risk return characteristics compared with MSME and unsecured loans. It also offers higher recovery in case of default (supported by the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002) and better asset quality is only partly offset by lower yields.

LAP market to grow 14-15% CAGR up to FY20 amid intense competition



Note: Includes banks and non-banks
Source: CRISIL Research

Growing interest in micro LAP

CRISIL Research defines micro-LAP (loan against property) as LAP loans of a ticket size of less than Rs 5 million.

The non-banking financial companies' (NBFCs) share of micro LAPs in incremental LAP disbursement have grown at ~25% compound annual growth rate (CAGR) over past two years. We expect loans within this ticket size to continue growing faster in the near term as:

- These loans generates ~50 basis points higher yield compared with large ticket size loans
- Penetration increases in smaller cities

The median incremental ticket size of NBFCs declined at 10-15% CAGR over the past three years to Rs 9 million in fiscal 2018, indicating an increasing trend in disbursements towards micro LAP.

Share of micro LAP in overall LAP disbursements



Note: Data for NBFCs only, MTS: median ticket size
Source: CRISIL Research

The profitability of micro LAP is slightly higher than big ticket size LAP loans as they command higher yield because of their low ticket size. Micro LAP loans usually have ~50 bps higher interest rates compared with big ticket LAP loans (to the same customer). The higher yield is only partly offset by the greater opex and relatively higher credit cost (due to relatively higher concentration in smaller cities and low-grade customers).

Business model of market participants

Particular	NBFCs	HFCs	Private/foreign banks	Public sector banks	Remarks/outlook
End-use of funds	1) As a term loan for business or debt consolidation 2) Other purposes such as investment.	As a term loan for business or debt consolidation	As a term loan for business	As a term loan for business (or long-term working capital loan in some cases)	Substitute for MSME, business and personal loans
Credit assessment	High use of surrogates; resulting in charging high interest rates	Mostly plain vanilla assessment, surrogates used very rarely	Mostly plain vanilla, Also focuses on surrogates assessment on a selected basis	Mostly plain vanilla assessment based only on documented income	Use of surrogates might decline because of increase in data availability helped by GST, demo and increasing formalization
LTV	cases)	55-65%	55%-65%	50%-60%	properties; Increase in LTV highly unlikely going forward
Turnaround time (TAT)	7 days	7 days	7-10 days	than the SME assessment cycle)	TAT is relatively lower for salaried; Players having good digital platforms have low TAT
Origination	Largely through intermediaries	Both branch-based and through intermediaries	Both branch-based and through intermediaries	Largely branch-based; selected PSBs have also tied up with corporate DSAs	Most of them are aggressively turning to DST model
Customer profile	Mostly self-employed (very few salaried)	Mix of salaried and self-employed having strong credit quality	Mix of salaried and self-employed having good strong quality	Mix of salaried and self-employed Initially focused on existing customers,	Low interest rates and good service will keep attracting quality customers

III. HOUSING FINANCE

Government incentives for housing finance

Pradhan Mantri Awas Yojana (PMAY)

The Housing for All by 2022 scheme (launched in June 2015) aims to construct more than 20 million houses across India by 2022. The schemes target beneficiaries would be the poor, economically weaker sections (EWS), and low income groups (LIG) in urban areas.

PMAY progress status as of end-March 2018

Housing units approved	**47.5 lakhs**
Projects approved	9,896
Total investment approved	Rs 2,68,096 crore
Central Assistance approved	Rs 73,460
No of household grounded	27 lakhs
No of houses completed	8 lakhs
Central assistance released	Rs 25, 733 crore
Beneficiaries given housing loans CLSS for EWS/LIG/MIG	1,65,106
Interest subsidy released by Central Nodal Agencies (CNAs)	Rs 3,559 crore

Source: Urban Transformation Report, Ministry of Housing and Urban Affairs, Government of India

Four components of the scheme

1. Slum redevelopment

- Land as a resource with private participation
- Extra floor space index (FSI)/ floor area ratio (FAR) and transfer of development rights (TDR), if required
- Grant of Rs. 1 lakh per house provided by the central government
- Developers to benefit from "free sale component"

2. Affordable housing in partnership

    - With private sector or public sector agencies
    - Central assistance of Rs. 1.5 lakh per EWS category house in projects where the project has at least 250 houses and 35% houses are for EWS category

3. Affordable housing through credit-linked subsidy

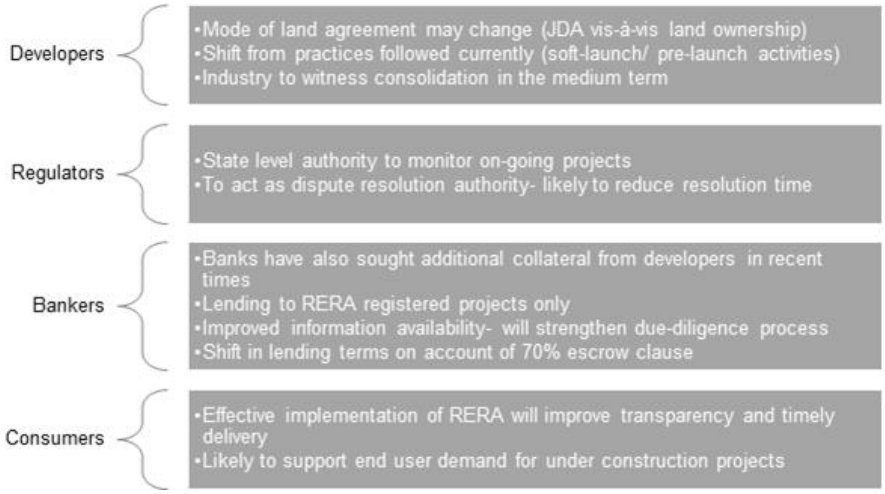
4. Subsidy for beneficiary-led housing

    - For individuals of EWS category, for own house construction or enhancement
    - Central assistance of Rs. 1.5 lakh per beneficiary

Real Estate (Regulation and Development) Act (RERA)

- The year 2017 stands out for policy initiatives in the real estate sector. One such initiative was implementation of RERA, which had a direct impact on the supply-demand dynamics in the real estate sector. RERA is expected to lead to improved transparency, timely delivery, and organised operations
- The Act does not permit developers to launch new projects before registering them with the authority. This is a major shift from the practices followed earlier by developers, wherein they managed to sell part of the project through soft / pre – launch activities
- RERA is also expected to put an end to fund diversion
- With effective implementation of RERA, developers will have to disclose project-related information, such as project plan, layout, government approvals, carpet area of units, construction status and delivery schedule. This will enable prospective buyers to make informed decisions.

Impact of RERA on different stakeholders



Source: CRISIL Research

Economic scenario

The financial performance of an HFC depends on the overall macroeconomic factors: GDP growth, economic cycles, and the health of the securities markets. CRISIL Research believes any trend or event that has a significant impact on India's economy, including a rise in interest rates, could impact the financial standing and growth plans of HFCs, leading to a slowdown in sectors important to the business.

Low Cost Housing Finance

Low mortgage penetration and increasing lender interest will lead to strong growth in low cost housing finance.

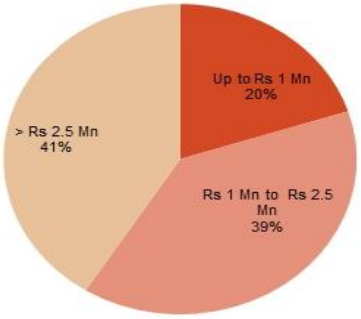
There is enormous unmet demand for low-cost housing finance. Low-cost housing in India refers to housing for economically weaker sections (EWS) and lower income group (LIG) households. CRISIL Research defines low-cost housing as a housing market within a ticket size of less than Rs 1 million. It is believed that the root cause of shortage is lack of housing finance options for low-income households. The supply of low-cost housing finance is constrained mainly by the inability of banks to accurately assess credit risk associated with low-income borrowers; lower profit margins; lack of land titles; and uncertainty of repossession. Lending to this segment has been restricted chiefly by:

- High costs of serving on account of small ticket size and lower volumes
- Unknown risks associated with the informal segment, wariness of financiers with regard to the high delinquencies, and uneven payback patterns

While the mortgage-to-gross domestic product ratio in India is already miniscule, mortgage penetration in low-income housing is even smaller. Due to the burgeoning traditional mortgage finance market, a few commercial banks have entered the lowincome housing market. These banks tend to offer long-term mortgage loans, which extend to twenty years and require down payment between 10% and 30% of the home value, pay slips, and legal title to property.

With the strong growth in the overall housing finance market and the increasing average ticket size of home loans, the number of housing finance companies (HFC) serving the financially excluded, lower-income informal customers has also increased.

Ticket size-wise break-up of housing finance market for fiscal 2018(E)



E: Estimated Note: Ticket size wise breakup is combined outstanding for Banks and HFCs
Source: NHB, RBI and CRISIL Research

Government initiatives like Housing for all by 2022 and other regulatory impetus will provide stimulus to low-cost housing segment

Recent push by the government to provide 'housing for all' by 2022 and various steps taken to implement the same, are expected to boost sales of affordable and low-cost housing units and consequently, financing for the same. Under the 'Housing for All' mission, the central government has implemented credit-linked subsidy component as a demand-side intervention, to expand institutional credit flow, to meet housing needs of people residing in urban regions.

Under this scheme, as in March 2018, around Rs. 17 billion of interest subsidy on housing loans of Rs 100 billion has been disbursed. This accounts for around 2% of overall housing loans disbursed during fiscal 2018. However, going forward, CRISIL Research believes that share of housing funded through Credit Linked Subsidy Scheme (CLSS) will increase to 4-5% in overall housing market.

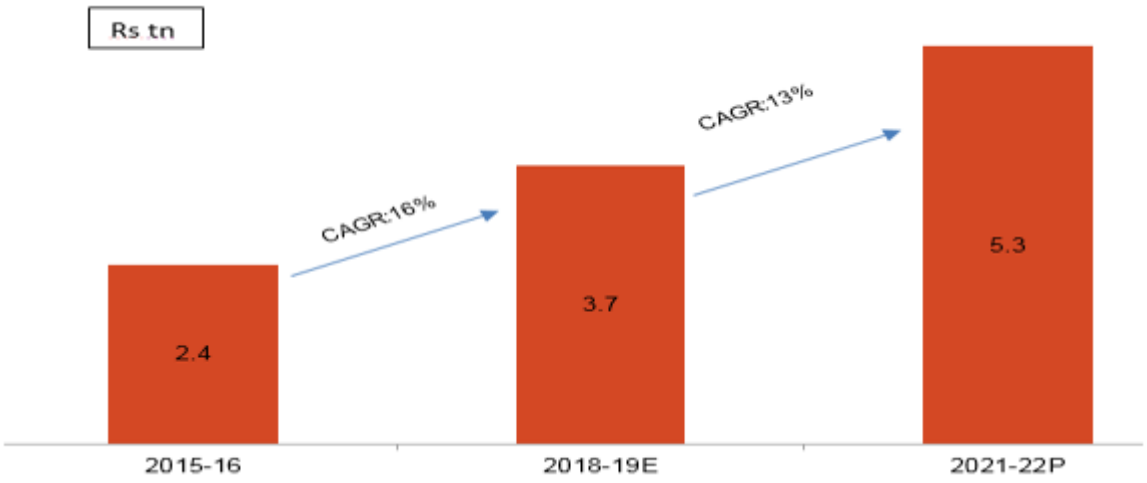
Progress of CLSS scheme as in June 2018

Scheme	Units	Subsidy amount Rs Bn
EWS/LIG	1,33,213	28.9
MIG	35,204	7.36
Total	1,68,417	36.27

Note: includes Banks and HFCs
Source: Bloomberg

IV. Financing K-12 schools

K-12 revenue projected to grow at 13% CAGR to reach ₹ 5.3 trillion by Fiscal 2022 driven by



Source: CRISIL Research

~89% of the K-12 school's revenue comes from the private space whereas only 48% of the total student enrollment is in this segment. CRISIL Research expects enrollment share in private space to increase to 51% over next 3 years driving the credit demand for the K-12 sector.

Growth Drivers

- Rapid urbanization spawning demand for more educational facilities.
- Belief in the importance of education.
- Rising household spends on education across the income spectrum implying greater willingness to pay.
- Low penetration in education gives room for growth and expansion.

Larger share of young population underscores the importance of education in India

- By 2025, India is set to surpass China as the most populous country in the world.
- India has two-fifth's of its population under 19 years.
- To reap the benefit of demographic dividend, India needs to increase the share of educated workforce.

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 9 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" on page 12 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated, the financial information included herein is based on our Reformatted Standalone Financial Statements and Limited Review Financial Results. For further information, see "Financial Information" on page 245.

Overview

Our Company is a "Systemically Important Non – Deposit Taking NBFC" (NBFC-ND-SI) registered with the Reserve Bank of India and operates as the flagship company under the "JM Financial" brand. Incorporated as J.M. Lease Consultants Private Limited on July 10, 1984, our Company has broadened its services from lease syndication and vehicle leasing to offering financial solutions through lending, syndication, participation in lending for securities issuance and distribution.

We are focused on offering a broad suite of secured and unsecured loan products which are customised to suit the needs of the corporates, SMEs and individuals. Our Company broadly operates under four verticals viz. (i) fixed income division (structured financing) ("**FID (structured financing)**"); (ii) fixed income division (real estate financing) ("**FID (real estate financing)**"); (iii) capital market financing; and (iv) SME financing.

- *FID (structured financing)* – Our wholesale financing segment to corporates includes all types of structured lending to companies across various sectors, promoter financing against listed / unlisted securities and property collateral, acquisition financing, subordinated or mezzanine financing, other secured lending and syndication.

- *FID (real estate financing)* – Our real estate financing segment includes loan against land, loan against project at early stage, project funding, loan against ready residential / commercial property and loan against shares.

- *Capital market financing* – Our capital market financing segment includes loans against securities, margin trade financing, arbitrage, buy now sell later, ESOP financing, broker financing, public offer financing and personal loans.

- *SME Financing* – Under this segment, we provide loans for varied purposes such as institutional finance, project finance and working capital finance to small and medium enterprises, loan against property and education institutional lending.

We also offer unsecured loans to customers on the basis of their creditworthiness. The purpose of funds could be for the purpose of working capital requirement for business and/ or for purposes acceptable to our Company. In addition to the above, we have ventured into real estate broking business under the brand name "Dwello". Our Company, through Dwello, operates primarily in the residential real estate segment and assists buyers during all the stages of their real estate buying cycle. Further, we have entered in the housing finance business through our Subsidiary, JMFHL. JMFHL has been granted a license to operate as a housing finance company by the National Housing Bank of India in Fiscal 2018. The focus of our housing finance business would be to provide home loans to retail customer with a focus on affordable housing segment.

Competitive Strengths

Diversified product mix, strong brand and well positioned to benefit from industry trends

We are a company with a diversified product mix encompassing loans to various corporates, individuals and SMEs. We believe that our diversified financial products and services platform enables us to develop and maintain strong relationships with clients and customers across our businesses, and leverage such relationships to generate repeat business and cross-sell our products. We believe that these diversified offerings have helped us gain more visibility as a financial services organisation, and thereby improving our recall value with our

client base. We have significantly grown our fund based lending businesses focused on risk adjusted profitable growth, superior asset quality and ROE. We believe that our client oriented approach, together with our ability to capitalize on emerging market trends, has enabled us to develop a consistently profitable and sustainable business model.

We believe that our extensive presence across the rapidly growing financial services industry in India has enabled us to grow our businesses across different segments. In addition, our significant experience and established corporate relationships also enable us to access specialist industry expertise and grow our businesses. We expect our businesses to benefit from the increased activity in the Indian capital markets, growing trend of increased household savings moving towards financial assets, structural reforms being implemented in India, and industry growth across our business verticals. We have also ventured into housing finance and real estate broking businesses to capitalize on the opportunities in these segments and further diversify our loan portfolio and income.

Robust track record of growth and profitability

We believe that our diversified business model provides multiple growth opportunities and enables us to manage short-term volatility in our business cycles to ensure growth and profitability. Our loan book has grown from ₹ 2,897.2 crore as of March 31, 2014 to ₹ 6,582.3 crore as of March 31, 2018.

We believe that the diversity of our businesses, strong brand, client segments and geographies has enabled us to ensure a stable and sustainable financial performance, reflected in our growth in revenues and profitability. We recorded total revenue / income of ₹ 529.2 crore, ₹ 702.5 crore, ₹ 559.5 crore, ₹ 706.4 crore, ₹ 907.9 crore and ₹ 730.3 crore, in Fiscal 2014, Fiscal 2015, Fiscal 2016, Fiscal 2017, Fiscal 2018 and in the nine months period ended December 31, 2018, respectively. Our total revenue increased at a CAGR of 14.4% from Fiscal 2014 to Fiscal 2018. We recorded profit before tax of ₹ 202.1 crore, ₹ 277.2 crore, ₹ 246.9 crore, ₹ 303.3 crore, ₹ 327.7 crore and ₹ 244.7 crore, in Fiscal 2014, Fiscal 2015, Fiscal 2016, Fiscal 2017, Fiscal 2018 and in the nine months ended December 31, 2018, respectively. Our profit before tax increased at a CAGR of 12.8% from Fiscal 2014 to Fiscal 2018. We recorded profit after tax of ₹ 134.8 crore, ₹ 188.3 crore, ₹ 167.4 crore, ₹ 197.2 crore, ₹ 212.9 crore and ₹ 158.5 crore, in Fiscal 2014, Fiscal 2015, Fiscal 2016, Fiscal 2018, Fiscal 2018 and in nine months ended December 31,2018 respectively. Our profit after tax increase at a CAGR of 12.1% from Fiscal 2014 to Fiscal 2018. Our ROA was 3.1%,4.4%,3.8%,3.8%,3.2% and 2.7% in Fiscal 2014, Fiscal 2015, Fiscal 2016, Fiscal 2017, Fiscal 2018 and the nine months period ended December 31, 2018 (on an annualized basis), respectively. Our ROE was 14.7%,18.2%,14.5%,15.5%,15.0% and 13.9% in Fiscal 2014, Fiscal 2015, Fiscal 2016, Fiscal 2017, Fiscal 2018 and the nine months period ended December 31, 2018 (on an annualized basis), respectively.

Robust lending book profile reflected in growth, asset quality and returns

Our activities are primarily focused on FID (structured financing), FID (real estate financing), capital markets lending and SME financing as reflected in our aggregate loan book which has grown at a CAGR of 22.8% from March 31, 2014 to March 31, 2018. Our aggregate loan book was ₹ 2,897.2 crore, ₹ 3,543.3 crore, ₹ 3,142.9 crore, ₹ 5,498.8 crore, ₹ 6,582.3 crore and ₹ 6,693.4 crore, as of March 31, 2014, 2015, 2016, 2017, 2018 and December 31, 2018, respectively.

We continue to manage the credit risks associated with our lending business through a diversified credit portfolio, and have accordingly been able to increase our customer base and client accounts across our loan book. Our loan approval and administration procedures, as well as our collection and enforcement procedures are designed to ensure consistent recovery and minimize delinquency. In particular, we have developed customized credit analysis procedures for each segment. We analyze past financial information and the applicant's business performance to assess their ability to repay loans. In addition to document verification and credit bureau reports, we conduct site verifications, interviews, as well as market and banking reference checks on the applicant, co-applicant and guarantor, as applicable. Other measures adopted to assess institutional borrowers include the viability of their business and financing products, the credit history of such institutions, the reputation and experience of the relevant promoters and founders of such institutions, as well as their credit, collection and other operational procedures and policies. In particular, for our developer/ real estate financing business, we endeavor to maintain our position as senior secured lender at all times, by avoiding entering into consortium arrangements. In most cases, we also conduct micro market surveys and lend largely to residential projects and developers that are not subject to any concentration risks. We also have stringent eligibility criteria

for borrowers in this segment, including having achieved certain minimum delivery records, experience, and commercial presence.

We believe that these risk management efforts are reflected in our relatively low NPA levels. Gross NPAs were ₹ 11.1 crore, ₹ 47.9 crore, ₹ 20.3 crore, ₹ 4.1 crore, ₹ 16.8 crore and ₹ 16.8 crore in Fiscal 2014, Fiscal 2015, Fiscal 2016, Fiscal 2017, Fiscal 2018 and in the nine months ended December 31, 2018, respectively, while Net NPAs were ₹ 5.7 crore, ₹ 39.0 crore, ₹ 11.7 crore, ₹ 0.0 crore, ₹ 15.1 crore and ₹ 15.1 crore in such periods. Gross NPAs were 0.4%,1.4%,0.6%,0.1%,0.3% and 0.3% of our gross loan book as of March 31, 2014, 2015, 2016, 2017, 2018 and December 31, 2018, respectively, while Net NPAs were 0.2%,1.1%,0.4%,0.0%,0.2% and 0.2% of our net advances as of such dates.

We have yielded strong ROA and ROE. Our ROA was 3.1%,4.4%,3.8%,3.8%,3.2% and 2.7% in Fiscal 2014, Fiscal 2015, Fiscal 2016, Fiscal 2017, Fiscal 2018 and the in nine months period ended December 31, 2018 (on an annualized basis), respectively. Our ROE was 14.7%,18.2%,14.5%,15.5%,15.0% and 13.9%in Fiscal 2014, Fiscal 2015, Fiscal 2016, Fiscal 2017, Fiscal 2018 and the in nine months period ended December 31, 2018 (on an annualized basis), respectively.

The following table sets forth certain key performance indicators as of the dates or for the periods indicated, as applicable:

	As of March 31,					**As of December 31, 2018**
	2014	**2015**	**2016**	**2017**	**2018**	
	(₹ crore, except ratios and percentages)					
Loan Book:						
FID (structured financing)	99.3	916.2	483.0	1,475.4	2,708.9	3,023.4
FID (real estate financing)	1,291.4	1,075.2	1,667.1	2,511.1	1,824.7	2,144.0
Capital market financing	1,506.5	1,551.9	992.8	1,512.3	1,671.6	1,199.5
SME lending	-	-	-	-	377.1	326.5
Total	**2,897.2**	**3543.3**	**3,142.9**	**5,498.8**	**6,582.3**	**6,693.4**
Gross Non Performing Assets (GNPA)	11.1	47.9	20.3	4.1	16.8	16.8
Gross Non Performing Assets as Percentage of Loan book (%)	0.4	1.4	0.6	0.1	0.3	0.3
Net Non Performing Assets (NNPA)	5.7	39.0	11.7	0.0	15.1	15.1
Net Non Performing Assets as Percentage of Loan book (%)	0.2	1.1	0.4	0.0	0.2	0.2
Capital Adequacy ratio (%)	25.5	27.3	30.6	21.1	21.7	19.9
Tier I ratio (%)	25.3	26.6	29.9	20.6	21.3	19.3

Ratios[(1)]	**Fiscal 2014**	**Fiscal 2015**	**Fiscal 2016**	**Fiscal 2017**	**Fiscal 2018**	**Nine months ended December 31, 2018**
Yield (%)	15.8%	14.6%	13.6%	13.1%	12.1%	12.3%
Cost of Borrowing (%)	12.5%	10.3%	9.5%	9.1%	8.4%	8.8%
Net Interest Margin (%)	5.7%	5.8%	6.0%	5.8%	4.8%	4.6%
Return On Assets (%)	3.1%	4.4%	3.8%	3.8%	3.2%	2.7%
Return On Equity (%)	14.7%	18.2%	14.5%	15.5%	15.0%	13.9%

(1) Calculated on an annualized basis

Diversified funding sources and strong credit profile

Our Company's funding requirements are currently predominantly met through credit facilities from banks, issuance of redeemable non-convertible debentures and commercial papers. We have access to funds from multiple classes of credit providers, including public sector banks, private commercial banks and mutual funds. We also access money market borrowings from mutual funds. We believe that we have developed and maintained stable long term relationships with our lenders and established a track record of timely servicing of our debt obligations. We believe that our quality of loan portfolio, stringent credit appraisal and risk management processes allow us to reduce cost of borrowings. The following table sets forth our long term and short term borrowing profile by instrument as of the dates indicated:

	As of March 31,										December 31, 2018	
	2014		2015		2016		2017		2018			
	Amount	Percentage of Grand Total	Amount	Percentage of Grand Total	Amount	Percentage of Grand Total	Amount	Percentage of Grand Total	Amount	Percentage of Grand Total	Amount	Percentage of Grand Total
	(₹ crore)	(%)	(₹ crore)	(%)	(₹ crore)	(%)	(₹ crore)	(%)	(₹ crore)	(%)	(₹ crore)	(%)
Term loans	150.0	5.1	66.7	2.0	200	6.7	400	8.9	930	16.8	984.0	16.2
Non-convertible debentures	536.4	18.2	348.8	10.6	256.3	8.6	1,189.2	26.4	2,862.7	51.7	2,505.0	41.2
Finance lease obligation	1.0	0.0	0.6	0.0	1.2	0.0	0.7	0.0	0.0	0.0	0.0	0.0
Inter corporate deposit	0.0	0.0	0.0	0.0	160.0	5.4	0.0	0.0	0.0	0.0	0.0	0.0
Total	**687.4**	**23.3**	**416.0**	**12.6**	**617.5**	**20.8**	**1,589.9**	**35.3**	**3,792.7**	**68.5**	**3,489.0**	**57.4**
Short Term Loans from Banks	50	1.7	0.0	0.0	100	3.4	0.0	0.0	0.0	0.0	0.0	0.0
CBLO	0.0	0.0	274.6	8.3	242.9	8.2	0.0	0.0	0.0	0.0	0.0	0.0
Cash credit & bank OD	101.5	3.4	2.4	0.1	40.3	1.4	0.0	0.0	0.0	0.0	198.1	3.3
Commercial papers	2,082.8	70.7	2,535.1	76.7	1,893.9	63.8	2,894.2	64.2	1,716.2	31.0	2,366.5	38.9
Inter corporate deposit	25	0.8	75	2.3	75	2.5	25	0.6	25	0.5	25	0.4
Total	**2,259.3**	**76.7**	**2,887.1**	**87.4**	**2,352.1**	**79.2**	**2,919.2**	**64.7**	**1,741.2**	**31.5**	**2,589.6**	**42.6**
Grand Total	**2,946.7**	**100**	**3,303.2**	**100**	**2,969.6**	**100**	**4,509.0**	**100**	**5,533.9**	**100**	**6,078.6**	**100**

Our Company has credit ratings from agencies such as CRISIL, ICRA and CARE. Our credit ratings as on the date of this Draft Shelf Prospectus are as follows:

Agency	Instrument	Rating
ICRA	Long term Market Linked Debentures (Principal Protected)	PP-MLD [ICRA]AA (Stable)

Agency	Instrument	Rating
	Long -term Bank Lines	[ICRA] AA (Stable)
	Commercial Paper (CP) Programme	[ICRA]A1+
	Non – convertible debentures	[ICRA] AA /Stable
CRISIL	Total Bank Loan Facilities	CRISIL AA / Stable
	Non – convertible debentures	CRISIL AA / Stable
	Commercial Paper	CRISIL A1+
CARE	Commercial Paper	CARE A1+
	Non Convertible Debentures	CARE AA/Stable

We believe our strong credit rating allows us to borrow funds at competitive rates from diverse sources, reflected in our reduced cost of funds. Additionally, we are subject to capital adequacy ratio ("**CAR**") requirements which are prescribed by the RBI. We are currently required to maintain a minimum 15.0 % as prescribed under the prudential norms of the RBI under the Master Direction – Non-Banking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 based on our total capital to risk weighted assets as part of our governance policy. We generally maintain capital adequacy higher than the statutorily prescribed CAR. As at March 31, 2018, our capital adequacy ratio, which was computed on the basis of the applicable RBI requirements, was 21.7%, as compared to the minimum capital adequacy requirement of 15.0% as stipulated by the RBI and as at December 31, 2018 CRAR was 19.9%, of which Tier I capital was 19.3%. We believe that our high capital adequacy gives us significant headroom to grow our business.

Long standing partnership with clients

We believe that our longstanding operations in the financial services industry in India with JM Financial, its subsidiaries and affiliates has resulted our Company as an established and reputable player in the financial services industries. We believe that our Company's client oriented approach has enabled us to develop strong relationships across our client base. This is attributable to our consistent liaisons with our customers, and their recognition of our constant efforts to improve and customize our services to them. We believe that the established brand and trusted partnership with our clients has enabled us to ensure a track record of strong financial and operational performance.

We believe that our track record has helped us build a reputable brand, owing to our commitment to quality, reliability and timeliness of services offered. Our operational efficiencies has resulted in better control of operational expenses and thereby enabled rise in profits after tax.

Experienced senior management team

We believe that the considerable experience of our Board and senior management team in the financial services sector is a significant competitive advantage that has enabled us to successfully diversify and grow a profitable and sustainable business model. Mr. Vishal Kampani, Managing Director of our Company, has garnered considerable experience as a senior investment banker, and has continued to shape our businesses focused on improving profitability while strengthening our diversified businesses. The Board is supported by a professional and experienced senior management team that has extensive experience in the banking and financial services sector, which has enabled us to develop strong relationships with our major clients and the financial industry network. Each of our businesses is supported by a dedicated team of managers with specialized professional expertise.

For further information on our management team, see "*Our Management*" on page 111 of this Draft Shelf Prospectus.

Our Strategies

Continue to focus on risk adjusted profitability and sustainable growth.

We believe there is significant growth and additional revenue opportunities in offering additional products across the financial services industry and expanding customer access to such products and services. We continue to focus on profitability as a key factor driving our business decisions. We are strategically focused on market opportunities within the financial services sector that enable us to focus on higher profitability. We have

developed and implemented stringent credit appraisal processes and standards to manage risks associated with our operations.

Diversify our assets and liabilities

We intend to diversify our assets by strategically focusing on adjacent high growth and profitable lending businesses and further expand our capital market and corporate lending businesses. We intend to continue to expand our product portfolio to address the diverse financial needs of our customers and capitalize on emerging industry opportunities. In particular, we intend to increase our focus on lending to education institutions, real estate broking business and grow our housing finance business with a focus on affordable housing segment. We expect that our diverse revenue streams will reduce our dependence on any particular product and spread our risk exposure.

We intend to continue to focus on developing a diversified funding model to achieve optimal cost of funds while balancing liquidity and concentration risks. As our cost of borrowings is determined by our credit ratings, financial discipline and business performance, we intend to source funding at competitive rates. In particular, with respect to our credit business, a decrease in cost of borrowings will enable us to price our products in a more competitive manner. We intend to further diversify and strengthen our profile, strategically adding additional funding resources.

Strengthen our credit profile

In order to diversify our operations from our wholesale credit business and diversify our risk profile, we intend to increasingly focus on education institutional lending and market opportunities in the housing finance segment. Our borrowers in the capital market financing segment are largely retail and HNI customers. We also intend to further strengthen and develop our housing finance business focused on the affordable housing segment. As an integral part of our strategy to increasingly focus on the above mentioned segments, we continue to introduce measures to further improve our credit approval processes, revise our credit policies regularly to address customer requirements and market developments, and streamline distribution channel in our capital markets lending business and be able to achieve robust asset quality. We believe that our strategic focus would enable us to diversify our risk profile, increase interest and fee income, improve capital utilization efficiencies, eventually may result in superior credit ratings and lower cost of funds. We also believe that expanding our customer base shall allow us to generate significant opportunities for cross selling our wider range of products and services.

Leverage of wide customer base across different verticals

We continue to leverage the wide customer base of JM Financial, its subsidiaries and affiliates by cross-selling products across different business segments. We believe we can thereby provide more attractive products and services to our customers while achieving superior operating leverage. We continue to focus on leveraging our relationships and significant expertise garnered from our fund based businesses. In order to achieve this, we intend to engage dedicated relationship managers assigned to specific corporate groups and other customers. While the relationship managers engage with our customers to address their specific requirements, our internal products teams assist in developing customized solutions for such customers.

We continue to engage with promoters and HNIs that are associated with JM Financial, its subsidiaries and affiliates' investment banking business and wealth management business to promote our lending products. Similarly, we propose to leverage our existing relationships with clients to promote our group's investment banking and wealth management products. We believe that our group's extensive presence across financial services provides us with substantial opportunity to grow and synergize our businesses further. We also believe that strengthening our customer relationships across businesses, and broadening our customer base will assist in improving our profitability.

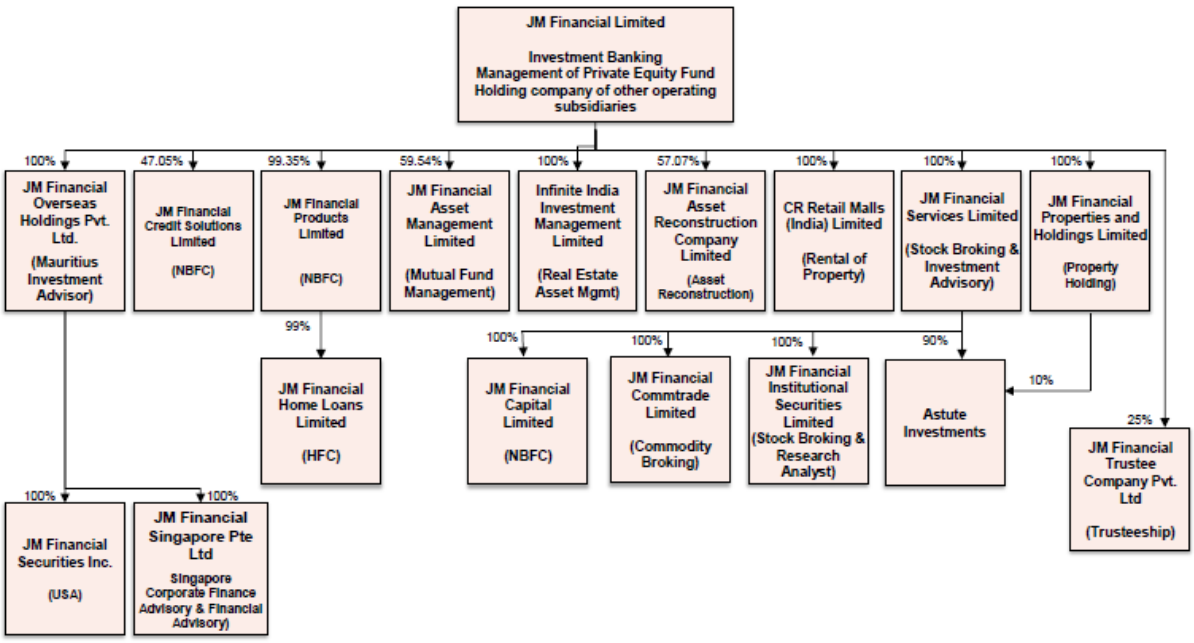
Focus on technology to manage and grow our business

As we continue to expand and scale up our existing businesses and enter into new businesses, we continue to focus on further developing and integrating technology to support growth, facilitate synergies between our businesses and thereby improve the quality of services. We are exploring the use of technology to reduce time to market and also control operating costs in the new businesses.

As our customer base increases, we will have access to an increasing amount of data. We intend to continue investing in our analytics capabilities to ensure that we are able to gain actionable insights from such data. We also propose to continue to use analytics to help us understand customer preferences, design new products, identify targets for cross-selling and increase customer transactions.

Corporate Structure

The chart below sets out the corporate structure as on December 31, 2018 –



Our Businesses

FID (Structured Financing)

Our FID (structured financing) portfolio includes the following products –

Structured Lending – We offer loans to operating companies towards working capital funding, funding growth capex / inorganic expansions / acquisitions, general corporate purposes including replacement of existing secured / unsecured debt, etc. Objective of such financings is to offer flexible options in terms of tenor, repayment profile, security structure and other terms to facilitate business growth and improve liquidity position of companies. Such loans are primarily repaid from cash flows of the borrower and/or sale of assets, equity fundraising, debt refinancing etc. Each such transaction shall be bespoke and the debt package shall is customized to meet borrower requirements. We offer efficient financing structures to companies for short tenor structured as a bridge to IPO or private equity infusion; alternately, structured debt financing can be a medium term solution for such companies to raise capital without equity dilution.

Promoter Financing **–** We offer financing to promoters or their holding / investment companies against listed or unlisted equity / preference shares, mutual fund units, securities or mortgage of residential / commercial properties or other real-estate to meet their strategic requirements i.e. equity funding for acquisitions or capex, stake accretion in group companies, investments / equity infusion / on-lending in companies, buying out of other shareholders, refinancing and such other purposes as acceptable to our Company.

Acquisition Financing – We offer Rupee financing solutions to companies acquiring domestic assets, where banks are restricted by regulation from providing financing for the equity investment.

Mezzanine Financing – We also offer subordinated debt or preferred equity instrument that represents a claim on a company's assets.

Debt Syndication – We also have a team which does syndication for fixed income paper.

FID (Real Estate Financing)

Our FID (real estate financing) portfolio includes the following products –

Loan against land – Our Company undertakes loans to real estate developers for acquiring land parcels or against a land parcel which may already be owned by the developer. This product is generally available to groups which are financially sound and enjoy a high credit score as per our internal rating mechanism. The repayment of such loans is expected from group cash flows or refinancing of the loan by another financial institution.

Loan against project at early stage – Our Company lends to developers against projects which currently are at land stage but are awaiting approvals. The loans are repaid through cash flows of the project to be constructed on the land funded initially.

Project Funding – We offer loans to developers against ongoing residential/commercial projects. These loans are mainly given to fund the development of the project and/or refinance the existing lender and give an additional loan for meeting project costs. The project costs also include costs to be incurred to procuring TDR or payment of premiums to get further approvals of these projects.

Loan against ready residential / commercial property – We also provide loan against mortgage of ready possession residential/commercial units in the completed projects. In such type of projects the occupation certificate is received and there is a time lag between project completion and sales of the entire project.

Loan against shares – Our Company offers loans to real estate developers against security of listed/unlisted shares to meet the funding requirements of the group across the ongoing or upcoming projects of the group.

Capital Market Financing

Our capital market financing portfolio includes the following products –

Loans against Securities – These loans facilitate our clients to capitalize on their investments by providing liquidity against investments in shares, mutual funds, and bonds, without the need to sell such securities. The product includes a portfolio of loan against mutual funds, loan against shares, loan against securities and loan against bonds. Loans may be business loans, or loans to meet short term working capital requirements or personal obligations.

Margin Trade Financing – These loans facilitate our clients to participate and to fund their settlement obligations of the stock exchanges. This facilitates a client to make investments in equity markets without having to deploy cash collateral towards the investment. A client can also take a leveraged position on the basis of the client's existing investments. A loan is granted as a short term working capital demand loan against an approved list of shares and mutual funds.

Arbitrage – This product enables to take the spread benefit between the cash and future and options / derivatives positions, both in equities and commodities, where the position would be hedged.

Buy now Sell later – This product is offered to take benefit from spread on gap opening.

Employee Stock Option (ESOP) Financing – ESOP funding is offered to the employees of various corporates to finance their employee stock options of the approved portfolio value, eliminating the need to arrange liquidity for this purpose while exercising ESOPs.

Broker Financing – In cases where the client is an existing stock broker, it may avail financing to meet working capital requirements against the collateral of its existing investment.

Public Offer Financing – It enables clients to participate in an IPO/FPO of equity shares, by giving a small margin and the balance is funded by us. This facility grants leverage to the retail clients to apply for a larger application size in public issues and procure higher allotments. IPO/FPO financing is for extremely short tenures and is strictly advanced for the limited purpose of financing an application for an IPO subscription.

Personal Loans – This product is offered to individual categories of borrowers with or without any collateral for the purpose of individual short-term personal needs as may be acceptable to our Company including to meet their various personal expenses / cash flow requirement and his/her tax liabilities.

SME Financing

SME loans are provided for varied purposes such as institutional finance, project finance and working capital finance to small and medium enterprises. We also offer these loans to fund proprietorship firms, partnership firms, private limited companies, closely held public limited companies and self-employed professionals, primarily for the purposes of business expansion, meeting working capital requirements, financing the purchase of capital equipment, refinancing existing loans and purchasing commercial property. SME loans are generally secured by the personal guarantee of promoters or partners or proprietors and the SME's property acts as a collateral.

Loan against Properties – Loan against property ("**LAP**") is a loan facility offered mostly to self - employed individuals requiring funds for business purposes against mortgage of residential or commercial property. As part of LAP, a lease rental discounting product is also offered when the lessee is a large corporate. The funds that are raised are utilized for meeting their business and investment needs.

Education Institutional Lending – We offer education institution loans to the entities involved in the business of imparting education such as schools, universities, training institutes, coaching or tutoring centres and target trusts, societies, companies, partnership / proprietorship firms. This loan is typically collateralized against the mortgage of immovable property in the form of equitable or registered mortgage and is governed by a credit assessment framework covering parameters important to education institution segment. The use of funds is primarily for brown field expansion and working capital purposes and/or any other specific education linked purpose as represented and found acceptable to the sanctioning authorities.

Dwello

We have recently ventured into the real estate broking business under the brand name "Dwello" wherein we assist the buyers in various stages of the transaction. We operate primarily in the residential real estate segment and charge the developers an agreed brokerage on completion of a transaction. We have a team of real estate consultants who assist the buyers during all the stages of their real estate buying cycle including finalization of the requirements, options to conduct site inspection and getting the buyers suitable value for the properties in the primary residential real estate segment. We also intend to evaluate options to the buyers through detailed customized research reports for the buyers.

Our Subsidiary

JMFHL, the subsidiary of the Company has obtained a license to operate as a non-deposit taking housing finance company from the National Housing Bank on November 17, 2017 for its housing finance business. The focus of our housing finance business would be to provide home loans to retail customers with a focus on affordable segment. At present, we intend to engage a combination of internal and external sources to source customers for this segment. We also propose to utilize technology to improve credit approval processes and reduce cost and streamline operations. In addition to the non – housing loans, we offer customised housing loan plans to suit our customers' needs, by reaching out to home buyers typically not served by banks and the housing finance companies. We provide secured finance primarily to individuals, partnership firms and companies for the purchase, self-construction, improvement and extension of homes, new and resalable flats, balance transfer and top up loan, commercial properties and plots. Generally, we determine the actual loan amount for each loan by taking into account various factors including the property value, repayment capacity, age, educational qualifications, stability and continuity of income, number of dependents, co-applicant's income, assets, liabilities and historical savings habits. Loans are generally repaid in EMI. The size of the EMI depends on the quantum of loan, interest rate and tenure of loan. For loans up to ₹30.00 lakh, the NHB allows a loan-to-value ratio of up to 90.00%, of the value of the property and for loans of ₹30.00 lakh to ₹75.00 lakh, the NHB allows a loan-to-value ratio of up to 80.00% and for loans of greater than ₹75.00 lakh, a maximum loan-to-value ratio of 75.00% applies. As of December 31, 2018, our aggregate loan book was ₹ 130.01 crore.

Processes

Loan Origination and Evaluation

An origination team sources potential customers. The origination team identifies and directly meets with clients for deal origination and receives preliminary information such financial statements for three years, outstanding debt, debt maturity profile, details of the business, collaterals, etc. After evaluating and clearing the information provided by the client, our origination team generates an in – principle credit memo which is referred to the credit committee of the Board. The origination team, post approval of the memo, undertakes a detailed credit assessment of the borrower along with security / collateral assessment and prepares a credit memo which captures details such as nature of the proposed facility, facility amount, interest rate, tenor, repayment mechanism, put/call option, end use of funds, etc. The risk team independently prepares a risk note on the client / project and presents it to the credit committee for further deliberation. The credit memo along with the risk note is presented to the credit committee for relevant commercial terms to be finalized.

Credit Appraisal and Loan Disbursal

We have set up a stringent credit assessment processes in order to maintain asset quality. Post receipt of the approval from our credit committee, wherever applicable, the KYC requirements are fulfilled to ensure compliance with the guidelines prescribed by RBI. Thereafter, a sanction letter or a term sheet is executed and other facility and security documents are subsequently executed by the parties. The analysts ensure the completion of the documentation and conditions precedent before disbursal of the loan amount. Margin money and other charges are collected prior to any loan disbursements. The disbursing officer retains evidence of the applicant's acceptance of the terms and conditions of the loan as part of the loan documentation. Prior to the loan disbursement, our officer ensures that a KYC checklist is completed by the applicant. The officer verifies the information that has been provided and includes the records in the loans file. The customer is provided with a copy of the loan documents which the customer then executes.

Loan Monitoring

We actively monitor our accounts by conducting analyst calls and quarterly performance reviews with the credit committee for each transaction, to assess compliance with covenants and examine business updates. We monitor the completeness of documentation and the creation of security through regular visits to the business outlets by our regional executives, head office executives and internal auditors. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently. Our regional directors review collections regularly and personally contact customers that have defaulted on their loan payments. Our regional directors are assisted by our officers who are also responsible for the collection of instalments from each customer that are serviced by them. We also review sector reports and track borrower peers to understand the relative performance of such borrower. This is supported by tracking the share price movement, value of the collateral and initiating top-ups if required. We also issue research reports and track developments in relevant ratings. We believe that our close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

Closure of Loan

On the final repayment of the loan amount, our team ensures that all the components of the loan are received from the client such as principle, interest, credit of TDS etc.

Key Performance Indicators

The following tables set forth certain information relating to the financial performance and key performance indicators on a standalone basis:

Parameters	**Fiscal 2016**	**Fiscal 2017**	**Fiscal 2018**
	(₹ crore, except number of accounts / groups)		
Networth	1,205.5	1,342.8	1,496.3
Total debt	2,969.6	4,509.0	5,533.9
i) Non current maturities of long term borrowings	4,61.6	1,150.1	2,628.9
ii) Short term borrowings	2,352.1	2,919.2	1,741.2

Parameters	Fiscal 2016	Fiscal 2017	Fiscal 2018
	(₹ crore, except number of accounts / groups)		
iii) Current maturities of long term borrowings	155.9	439.8	1,163.9
Net fixed assets	3.8	5.6	6.9
Non current assets	136.4	152.5	71.3
Cash and cash equivalents	699.6	251.8	401.2
Current investments /stock in trade	263.9	15.6	59.1
Current assets	62.8	33.5	132.0
Current liabilities	33.3	58.3	126.3
Assets under management (Loan Fund)	3,142.9	5,498.8	6,582.3
Off balance sheet assets	-	-	-
Income from funding activities	463.9	610.6	805.4
Interest expense	275.0	344.1	488.9
Provisioning and write – offs	0	0.6	8.1
PAT	167.4	197.2	212.9
Gross NPA (%)	0.6	0.1	0.3
Net NPA (%)	0.4	0.0	0.2
Tier I Capital Adequacy Ratio (%)	29.9	20.6	21.3
Tier II Capital Adequacy Ratio (%)	0.7	0.4	0.4

The following tables set forth certain information relating to the financial performance and key performance indicators on a standalone basis as on December 31, 2018*:

Parameters	December 31, 2018
	(₹ crore, except number of accounts / groups)
Networth	1,565.3
Total debt	6,078.6
i) Non current maturities of long term borrowings	2,561.8
ii) Short term borrowings	2,589.6
iii) Current maturities of long term borrowings	927.2
Net fixed assets	6.7
Non current assets	30.2
Cash and cash equivalents	123.5
Current investments	0.0
Current assets #	828.9
Current liabilities	192.2
Assets under management (Loan Fund)	6,606.5
Off balance sheet assets	-
Interest income from funding activities	660.0
Interest expense	394.2
Provisioning and write – offs	13.4
PAT	158.5
Gross NPA (%)	0.3
Net NPA (%)	0.2
Tier I Capital Adequacy Ratio (%)	19.3
Tier II Capital Adequacy Ratio (%)	0.6

* *The key performance indicators for Fiscal 2016, Fiscal 2017 and Fiscal 2018 have been prepared in accordance with the Indian GAAP. Please note that on account of change in applicable law, the key performance indicators for the nine months period ended December 31, 2018 are prepared in accordance with the IND AS. Therefore, the key performance indicators pertaining to the nine months period ended December 31, 2018 are not comparable with the key performance indicators pertaining to Fiscal 2016, Fiscal 2017 and Fiscal 2018.*

 # Includes redemption proceeds receivable from mutual fund amounting to ₹ 661.94, received on January 1, 2019.

The following tables set forth certain information relating to the financial performance and key performance indicators on a consolidated basis**:

Parameters	Fiscal 2017	Fiscal 2018
	(₹ crore, except number of accounts / groups)	
Networth	1,342.8	1,494.9
Total debt	4,509.0	5,533.9
i) Non current maturities of long term borrowings	1,150.1	2,628.9
ii) Short term borrowings	2,919.2	1,741.2
iii) Current maturities of long term borrowings	439.8	1,163.8
Net fixed assets	5.6	7.8
Non current assets	139.8	40.2
Cash and cash equivalents	263.6	413.8
Current investments / stock in trade	15.6	59.1
Current assets	33.6	132.1
Current liabilities	58.7	128.1
Assets under management (Loan Funds)	5,498.8	6,600.2
Off balance sheet assets	-	-
Income from funding activities	610.6	805.5
Interest expense	344.1	488.9
Provisioning and write – offs	-	8.1
PAT	197.2	211.5
Gross NPA (%)	0.1	0.3
Net NPA (%)	0.0	0.2

***Since our Company did not have any subsidiary in the year 2016, the key performance indicators on a consolidated basis are not applicable for that particular year.*

The Total Income and Profit after Tax increased at a CAGR of 14.4% and 12.1%, respectively from Fiscal 2014 to Fiscal 2018.

	As of March 31,					As of December 31, 2018
	2014	2015	2016	2017	2018	
	(₹ crore, except ratios and percentages)					
Assets:						
Property, plants and equipments*	4.5	3.9	3.8	5.6	6.9	6.7
Loan Funds	2,897.2	3,543.3	3,142.9	5,498.8	6,582.3	6,693.4
Others	1,131.8	1,001.8	1,162.8	452.7	663.5	1,170.7
Total Assets	**4,033.5**	**4,549.0**	**4,309.5**	**5,957.1**	**7,252.7**	**7,870.8**
Liabilities:						
Share Capital	544.5	544.5	544.5	544.5	544.5	544.5
Reserves and Surplus	430.8	553.6	661.0	798.3	951.8	1,020.8
Shareholders' Funds	975.3	1,098.1	1,205.5	1,342.8	1,496.3	1,565.3
Borrowings	2,946.7	3,303.2	2,969.6	4,509.0	5,533.9	6,078.6
Other Liabilities	111.5	147.7	134.4	105.3	222.5	226.9
Total liabilities	**4,033.5**	**4,549.0**	**4,309.5**	**5,957.1**	**7,252.7**	**7,870.8**
Ratios						
Gross NPA (%)	0.4	1.4	0.6	0.1	0.3	0.3
Net NPAs (%)	0.2	1.1	0.4	0.0	0.2	0.2
Tier I Ratio	25.3	26.6	29.9	20.6	21.3	19.3
Capital Adequacy	25.5	27.3	30.6	21.1	21.7	19.9
Debt to Equity	3.0	3.0	2.5	3.4	3.7	3.9

**Includes intangible assets under development & other intangible assets*

Ratio	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Nine Months ended December 31, 2018
Yield	15.8	14.6	13.6	13.1	12.1	12.3
Cost of Borrowing	12.5	10.3	9.5	9.1	8.4	8.8
Net interest margin	5.7	5.8	6.0	5.8	4.8	4.6
ROA	3.1	4.4	3.8	3.8	3.2	2.7
ROE	14.7	18.2	14.5	15.5	15.0	13.9

Asset and Liability Management

Our business requires significant working capital and, accordingly, our liquidity management is a critical function. We have adopted the asset management liability policy to ensure prudent management of assets and liabilities for our Company. We monitor our asset liability through an asset liability management committee at entity level. Our asset liability is monitored on a daily basis by the management team to track our inflows and outflows. Since we have a mixed lending portfolio comprising short-term and long-term loans, we make efforts to match the maturity of liabilities with the maturity of assets. For this purpose, we undertake entity level asset liability management function periodically. The group level asset liability management committee meets on a weekly basis to review liquidity reports and monitor our asset liability. We also focus on enterprise-wide risk management to ensure optimum returns and capital preservation.

Capital Adequacy Ratio

We are subject to the capital adequacy requirements of the RBI. As per the RBI regulations, we are required to maintain a capital adequacy ratio of minimum 15% of which Tier I capital should be minimum of 12%. The following table sets out the capital adequacy ratios, as of the dates indicated:

	As of March 31,					As of December 31, 2018
	2014	2015	2016	2017	2018	
	(₹ crore, except ratios and percentages)					
Tier I Capital	894.3	995.0	1,190.4	1,299.1	1,480.7	1,505.9
Tier II Capital	8.7	26.3	26.3	26.3	28.5	45.5
Total Capital	**903.0**	**1,021.3**	**1,216.7**	**1,325.4**	**1,509.2**	**1,551.4**
Total Risk Weighted Assets	**3,540.4**	**3,747.0**	**3,979.1**	**6,294.3**	**6,965.9**	**7,794.8**
Capital Adequacy Ratio (as a Percentage of Total Risk Weighted Assets (%))						
Tier I Capital	25.3	26.6	29.9	20.6	21.3	19.3
Tier II Capital	0.2	0.7	0.7	0.4	0.4	0.6
Total Capital	**25.5**	**27.3**	**30.6**	**21.1**	**21.7**	**19.9**

Our Credit Ratings

Our present credit ratings are set forth below:

Agency	Instrument	Rating
CARE	Commercial Paper	CARE A1+
	Non Convertible Debentures	CARE AA/Stable
ICRA	Long term Market Linked Debentures (Principal Protected)	PP-MLD [ICRA]AA (Stable)
	Long -term Bank Lines	[ICRA] AA (Stable)
	Commercial Paper (CP) Programme	[ICRA]A1+
	Non – convertible debentures	ICRA AA /Stable
CRISIL	Total Bank Loan Facilities	CRISIL AA / Stable
	Non – convertible debentures	CRISIL AA / Stable

Agency	Instrument	Rating
	Commercial Paper	CRISIL A1+

Risk Management

Risk management forms an integral part of our business operations and monitoring activities. We are exposed to various risks related to our lending business and operating environment. Our objective is to evaluate and monitor various risks that we are subject to and follow stringent policies and procedures to address these risks. Considering the nature of the security (collateral) backed lending business, where the price of security may fluctuate due to market volatility or underlying security our Company, specific factors or due to various external factors/ adverse movements, the value of security available may fluctuate impacting the margin coverage for a borrower. Hence, to safeguard and protect the interests of our Company from the possible risk of default of a borrower, our risk management team monitors and mitigates the risk. Our risk management team:

- ensures maintenance of sufficient margin coverage on the borrower's loan (including additional /adhoc / temporary loan) across all the products;
- makes margin calls to the borrowers and ensure the timely collection of margins;
- liquidates the securities to recover the loan in case the borrower fails to pay the margins on time;
- ensure timely collection of outstanding interest on the loans; and
- regular review of the list of approved securities from time to time.

The major risks we face in our businesses are credit risk, market risks, liquidity risk, operational risk, regulatory and compliance risk and business and continuity risk.

Credit Risk

We face the risk that our borrowers may fail to discharge their repayment obligations to us and thereby resulting in a financial loss. Any material unexpected credit losses or failure of borrowers to repay debt on time, may have an adverse effect on our business.We undertake a credit approval and review exercise, extensive credit appraisal, ensure proper documentation and conduct periodic reviews to mitigate credit risk. Various norms are stipulated for customer identification and procedures are in place for evaluation of prospective credit proposals like carrying out cash flow analysis, setting credit limits, obtaining collateral and setting prudent LTV ratios. Actual credit exposures, credit limits and asset quality are regularly monitored at various levels.

Market Risk

We face the risk that the value of our portfolio of investment in securities may fall due to adverse market movements or fluctuations in interest rates, foreign exchange rates, equity or commodity prices. Our portfolios and collaterals/ securities are continuously monitored and we adopt derivative instruments as hedging mechanism to minimize the impact of market risk.

Liquidity Risk

We access public funds for our businesses. Our liquidity may be affected due to severe liquidity crunch in the market or due to market disruptions where we are unable to access public funds. We believe we have a strong financial position and all our businesses are adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity risks. We also maintain a part of our capital in liquid assets to manage any sudden liquidity requirements.

Interest Rate Risk

We are subject to interest rate risk, principally because we lend to customers at fixed interest rates and for periods that may differ from our funding sources, which bear fixed and floating rates and are from banks and issuing debt. Interest rates are highly sensitive to many factors beyond our control and we assess and manage the interest rate risk on our balance sheet by managing our assets and liabilities. We maintain an asset liability management policy, which has been approved and adopted by our asset liability committee of the Board. Assets and liabilities are categorised into various time buckets based on their maturities and re-pricing options. Efforts are made and action plans are drawn to ensure minimum mismatch in each of the time buckets in line with guidelines prescribed by the RBI.

Operational Risk

Our businesses are dependent on people and processes. Shortcomings or failure in internal processes or systems may have material adverse impact on our financial position as well as affect our operations. We have well-defined policies, operational processes and systems for our operations. Regular audits are done by independent internal auditors to monitor adherence of policies and processes. We also undertake regular systems audit by external audit firms.

Regulatory and Compliance Risk

We may be faced with risks resulting from changes in laws and regulations governing our business including on account of our inability to adequately address regulatory requirements or from differences in interpretation of regulations vis-à-vis that of regulators. This risk is further enhanced as we expand into newer geographies and compliance with multiple regulations and regulatory requirements of various jurisdictions may be challenging.

We have a team of experienced professionals which takes care of compliance with applicable laws, rules, regulations and guidelines sffecting our businesses. We also take external advices and appoint qualified professionals in respective functions across various offices.

Business and Continuity Risk

In the event of disruption in the conduct of business due to incidents like fire, natural calamity, breakdown of infrastructure, acts of terrorism etc. we are exposed to the risk of loss of data, clients and/or business that can adversely affect our financial results. We have in place Business Continuity Plan ("**BCP**") to mitigate the impact of any such exigencies. We continuously test check the processes laid out under the BCP and review the same. The records with respect to critical and confidential data are preserved and are secured.

Risk Management Architecture

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes monitoring by our Board through the audit committee, the asset liability committee and the risk management committee.

Audit Committee

Our audit committee acts as a link between the statutory and internal auditors and our Board. It is authorised to select and establish accounting policies, review reports of the statutory and the internal auditors and meet with them to discuss their findings, suggestions and other related matters. Our audit committee has access to all information it requires from our Company and can obtain external professional advice whenever required.

Asset Liability Committee

The Asset Liability Management Committee ("ALCO") is a decision making unit responsible for balance sheet planning from risk return perspective which includes the consideration of future interest rate parameters. ALCO also review the progress in implementation of its decision made in the previous meetings and takes corrective actions, if required under the current scenario.

Risk Management Committee

Our risk management committee manages the integrated risk, informs our Board about the progress made in implementing a risk management system and periodically reviews the risk management policy followed by our Company.

Marketing, Sales and Customer Support

While majority of our businesses depend on synergies with our other businesses to seek cross-selling opportunities, our customer origination initiatives involve our sales team and marketing campaigns. We also leverage our corporate relationships through referrals and other cross-selling initiatives. We constantly strive to service our clients by understanding their requirements and aligning our capabilities to meet emerging market

trends. We have implemented customer oriented practices including extended-hours of customer service as may be required.

Information Technology

Our technology infrastructure is critical to our businesses. We believe in leveraging technology to provide a strategic competitive advantage, to improve productivity and performance, to manage risk, to develop new businesses and to provide customers with a better experience. Over the years, we have constantly invested in building and upgrading our technological infrastructure. We believe that we have leveraged technology effectively to enable growth, build risk management and provide enhanced customer experience. We seek to leverage technology solutions that drive the growth of our businesses.

Competition

The financial services industry is highly competitive and we expect competition to intensify in the future. Each of our key businesses competes on the basis of a number of key factors. Competitors in our credit business include established Indian and foreign commercial banks, other NBFCs, housing finance companies and small finance banks, who principally operate in the local market. We may also face competition from unorganized small market participants who are prevalent in semi-urban and rural landscapes, local money lenders in rural areas, which are also focused on lending to underserved segments and micro, small and medium enterprises. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalizing related operational costs.

Intellectual Property

We do not own the trademark or any other intellectual property.

Insurance

We are covered under various types of insurance covers that are customary for companies operating in similar businesses. These include insurance coverage against losses occasioned by fire, burglary for the premises and equipment and electronic appliances in our offices. Fidelity guarantee policy that covers certain employees and money insurance policy in respect of cash-in-safe and in-transit. For certain risks relating to our insurance coverage, please refer to '*Risk Factors – Our insurance covrage could prove inadequate to satisfy potential claims and our insurance policies may not protect us against all potential losses, which could adversely affect our business and results of operations*' on page 31 of this Draft Shelf Prospectus.

Human Resources

We believe that talent is our most valuable asset and that our success lies in the quality of our people, their competencies and their commitment towards attaining the organizational goals. Building and developing our talent pool is our key priority and we strive to create work environment that encourages continuous development on both fronts, behavioral as well as technical. We have recently launched the tagline HUMAN RESOURCES Pragmatic | Professional | Progressive which supplements the group values.

The employees are encouraged to attend relevant workshops and knowledge sessions, which are coordinated by the human resources function. We also focus on technical training for our employees such as credit risk modelling, financial modelling and finance training for employees with a non-finance background. The human resources function is also responsible for building the human resources strategy of our Group. Further, the heads in the human resources are responsible for individual business units and support employee engagement, talent management, data analysis, employee relations and guidance, performance management, compensation and benefits and learning and development effort. Our human resources team is primarily responsible for activities such as talent and performance management, employee engagements, learning and training initiatives, compensation and benefit programs and implementing workforce diversity. As of December 31, 2018, we had 203 employees across our business verticals.

Corporate Social Responsibility

The Company has adopted a Corporate Social Responsibility ("**CSR**") policy and our CSR activities are administered by the CSR Committee. Our CSR initiatives are implemented through JM Financial Foundation and Kampani Charitable Trust. Our CSR activities are currently focused on promoting education, livelihood enhancement in rural areas, empowering women and rural development.

Properties

Our registered office located at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 has been leased by us for a period of 5 years from October 1, 2017. As of December 31, 2018, we have presence in Mumbai, Pune, Delhi, Kolkata, Bengaluru, Ahmedabad, Hyderabad and Chennai most of which are contracted on a leasehold basis.

HISTORY AND MAIN OBJECTS

Brief background of our Company

Our Company was originally incorporated in Mumbai, Maharashtra as a private limited company on July 10, 1984 under the provisions of the Companies Act, 1956, with registration number 33397 of 1984 and with the name "**J.M. Lease Consultants Private Limited**". By virtue of section 43A of the Companies Act, 1956 our Company became a deemed public company with the name "**J.M Lease Consultants Limited**" and received a certificate of incorporation dated July 15, 1992 from the Registrar of Companies, Mumbai, Maharashtra. Our Company further became a private company with effect from August 17, 2001. Subsequently, by way of a fresh certificate of incorporation dated June 10, 2005 issued by the Registrar of Companies, Mumbai, Maharashtra, our Company's name was changed to "**JM Financial Products Private Limited**". Our Company was converted into a public limited company with the name "**JM Financial Products Limited**" and received a fresh certificate of incorporation consequent to change in status on June 28, 2010 from the Registrar of Companies, Mumbai, Maharashtra. Our Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, bearing registration no. B - 13.00178 dated March 2, 1998. For further details regarding changes to the name and registered office of our Company, see this section of this Draft Shelf Prospectus. For further details regarding the Promoter and the group companies please refer to "*Our Promoter*" at page 123 of this Draft Shelf Prospectus.

Registered office and change in registered office of our Company

The registered office of our Company is located at 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai, Maharashtra 400 025, India. On March 22, 1991 the registered office of our Company was shifted from its original location at 112, Jolly Maker Chamber No. 2, Nariman Point, Mumbai 400 021 to 141, Maker Chambers III, Nariman Point, Mumbai 400 021. The registered office of our Company was shifted to its current location with effect from September 02, 2013.

Amalgamation, acquisition, re-organisation or reconstruction undertaken by the Company in the last one year

There have been no amalgamations, acquisitions, re-organisations or re-constructions undertaken by the Company in the last one year, preceding the date of this Draft Shelf Prospectus.

Key events, milestones and achievements

Fiscal Year	Particulars
1984-1985	Our Company was incorporated as a private limited company under the name J.M. Lease Consultants Private Limited
1992-1993	Our Company became a deemed public company with the name J.M Lease Consultants Limited
1997-1998	Our Company registered with the RBI to carry on business of a non-banking financial institution without accepting public deposits
2005-2006	The name of our Company was changed to JM Financial Products Private Limited
2010-2011	Our Company was converted into a public limited company and consequent to change in status, received a fresh certificate of incorporation with the name JM Financial Products Limited
2014-2015	Issued on a private placement basis, 490 secured non-convertible debentures having face value of ₹ 10,00,000 each Issued on a private placement basis, 55 secured non-convertible debentures having face value of ₹ 10,00,000 each
2015-2016	Our Company has issued 1,458 non-convertible debentures of the face value of ₹ 10,00,000 each on a private placement basis JM Financial Services Limited ceased to be a subsidiary of our Company on account of the transfer of 4,55,00,000 equity shares of face value of ₹ 10 each of JM Financial Services Limited to JM Financial Limited
2016-2017	Our Company incorporated JMFHL, a wholly owned subsidiary to carry on the business of housing finance institution JMFHL made an application to the National Housing Bank to obtain a certificate of registration to commence the business of housing finance institution Our Company obtained an ICRA A1+ rating on commercial paper programme; ICRA AA/Stable PP-MLD ICRA AA/Stable on non-convertible debentures and ICRA AA/Stable on banks lines Our Company obtained Obtained a CRISIL A1+ rating on commercial paper programme; CRISI AA/Stable on non-convertible debentures and CRISIL AA/Stable on banks lines Our Company issued 10,884 NCDs of the face value of ₹ 10,00,000 each aggregating upto ₹ 1,088.40 crore on a private placement basis

Fiscal Year	Particulars
2017-2018	JMFHL obtained a certificate of registration to commence the business of a housing finance institution without accepting public deposits, subject to certain conditions by the National Housing Bank, under Section 29A of the National Housing Bank Act, 1987 Our Company obtained a certificate of registration with the Maharashtra Real Estate Regulatory Authority for conducting real estate broking business under the brand name "Dwello" to cater primarily to residential real estate home buyers

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

- To render consultancy services on all lease transactions and related matters to both lesser and lessees, including preparation of feasibility reports for new leasing companies, preparing schedule of lease rentals for various assets, both movable and immovable, locating suitable lessees for lessors and vice versa, management of leasing companies, recruitment of managerial personnel, arranging for loans and facilities from banks and other sources, assisting leasing companies, to raise funds from the capital market and the public and generally to render consultancy services for all areas of operations of leasing companies and leasing activities.

- To carry on the business of financing and advancing short-term and long-term loans and credits to individuals, companies, body corporates or association of individuals by whatever name called, whether with or without security and to lend and advance moneys, or give credit to such other person or persons as may seem expedient, and to the customers and others having dealings with the Company, or on the way to guarantee the performance of any contract or obligation and the payment of money of or by any persons or companies or make investments in securities, derivatives and all such types of financial securities recognized as legally tradable securities and generally to give guarantees and indemnities and to receive money or deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures (perpetual or otherwise) and to secure the repayment of any moneys borrowed, raised or owing by mortgage, charge or lien upon and or any of the property or assets of the Company (both present and future), including its uncalled capital, and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other persons or company of any obligation undertaken by the Company or any other person or company, as the case may be, subject to the provisions of Section 58A of the Companies Act, 1956 and directives of Reserve Bank of India.

- To carry on in India or outside India the business of a hire purchase, leasing, factoring investment and finance company and to purchase or otherwise acquire in order to provide on hire purchase or on lease basis every kind of industrial, household or office plant, equipment, machinery, instruments, appliances, apparatus or accessories, or goods or articles of all and every kind or description, buildings, premises or other real estate or immovable property, factories or industrial establishments required for or in connection with industrial, manufacturing, processing, trading, commercial, agricultural, transport of servicing or other business, activities or operations of every kind and description and to import, export, buy, sell, barter, exchange, pledge, make advance upon, supply or otherwise deal in goods, produce, articles and merchandise.

Subsidiaries or associate companies

As on the date of this Draft Shelf Prospectus our Company has one subsidiary and no associate company.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. We have not appointed any 'manager' within the meaning thereof under the provisions of the Act and the relevant provisions of the Companies Act, 2013.

Under the Articles of Association, we are required to have not less than three Directors and not more than fifteen Directors. We currently have eight Directors on the Board, out of which three Directors are Independent Directors.

Details relating to Directors

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
Mr. V P Shetty Age: 71 years Non-executive Chairman DIN: 00021773 Term: Director liable to retire by rotation Occupation: Service	Indian	April 21, 2008	Flat No. 1802, Ansal Height G. M Bhosale Marg, Worli, Mumbai – 400 018	JM Financial Asset Management Limited JM Financial Credit Solutions Limited JM Financial Asset Reconstruction Company Limited JM Financial Home Loans Limited
Mr. M R. Umarji Age: 77 years Non-executive Director DIN: 00307435 Term: Director liable to retire by rotation Occupation: Professional	Indian	December 11, 2008	B-702, Pataliputra Co-Op. Hsg. Society 4 Bunglows, Near Kamdhenu Shop Andheri (West) Mumbai – 400053	Uniparts India Limited International Asset Reconstruction Company Private Limited Universal Trusteeship Services Limited Central Registry of Securitisation Asset Reconstruction and Security Interest of India
Mr. E A Kshirsagar Age: 77 years Independent Director DIN: 00121824 Term: Five consecutive years with effect from July 2, 2014 Occupation: Professional	Indian	May 10, 2010	19, Tarangini, Twin Towers Road, Prabhadevi, Mumbai - 400 025	Hawkins Cookers Limited Batliboi Limited Manappuram Finance Limited JM Financial Limited Manipal Global Education Services Private Limited
Mr. Dhirendra Singh Age: 73 years Independent Director DIN: 00852815 Term: Five consecutive years with effect from July 2, 2014 Occupation: Retired	Indian	July 12, 2010	Flat 102, Earth Court 2, Jaypee Greens, Kasana Gautam Buddh Nagar, Greater Noida 201 310	HCL Infosystems Limited Digilife Distribution and Marketing Services Limited HCL Infotech Limited HCL Learning Limited
Ms. Roshini Bakshi Age: 51 years Independent Director	Indian	January 21, 2015	1103-B, Surya Apartments B. Desai Road, Mumbai - 400026	Max Healthcare Institute Limited Persistent Systems Limited Australian Foods India Private Limited

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
DIN: 01832163 Term: Five years with effect January 21, 2015 Occupation: Service				
Mr. Atul Mehra Age: 51 years Non-executive Director DIN: 00095542 Term: Director liable to retire by rotation Occupation: Service	Indian	July 19, 2017	B/4, Clifton Co-op Housing Society, Juhu Tara Road, Juhu, Mumbai 400 049, Maharashtra, India	Nil
Mr. Subodh Shinkar Age: 51 years Additional Director (Non-executive Director) DIN: 00095541 Term: Upto the date of the ensuing AGM Occupation: Service	Indian	July 17, 2018	1302, Marathon Nextgen, VS Lane, Off G.K. Marg, Lower Parel (West) Mumbai - 400 013	JM Financial Commtrade Limited JM Financial Capital Limited JM Financial Home Loans Limited
Mr. Vishal Kampani Age: 42 years Managing Director DIN: 00009079 Term: Five years with effect September 15, 2016. Occupation: Service	Indian	September 15, 2015	123, Maker Tower 'B', Cuffe Parade, Colaba, Mumbai - 400 005	JM Financial Limited JM Financial Services Limited JM Financial Capital Limited JM Financial Institutional Securities Limited J.M. Financial & Investment Consultancy Services Private Limited Infinite India Investment Management Limited JM Financial Singapore Pte. Limited Capital Market Publishers India Private Limited

Profile of Directors

Mr. V P Shetty is the Non-executive Chairman of the Company. He has been a Director in the Company since April 21, 2008. Mr. Shetty has had an illustrious career in banking space spanning almost four decades. During this period, he has served as the chairman and managing director in IDBI Bank, UCO Bank and Canara Bank. He holds a bachelor's degree in commerce from the Bangalore University and is an associate member of the Indian Institute of Bankers. He serves as a director on the board of directors of several companies such as JM Financial Asset Reconstruction Company Limited, JM Financial Asset Management Company Limited and JM Financial Home Loans Limited.

Mr. M R Umarji is a Non-executive Directorof the Company. He has been a Director of the Company since December 11, 2008. A post-graduate in law from the University of Mumbai, Mr. Umarji represents a unique combination of experience as law officer in Bank of Baroda, legal adviser in banks (Bank of Baroda and Dena Bank), as executive director, Dena Bank,Corporation Bank and Department of Non-Banking Supervision, RBI. He was a member of the Bankruptcy Law Reforms Committee. He was involved with the United Nations Commission on International Trade Law as a delegate from India. He serves as a director on the boards of directors of Uniparts India Limited, International Asset Reconstruction Company Private Limited and Universal Trusteeship Services Limited.

Mr. E A Kshirsagar is an Independent Director of the Company. He has been a Director of the Company since May 10, 2010. Mr. Kshirsagar is a fellow member of the Institute of Chartered Accountants in England and Wales. He serves as a director on the board of directors of several companies such as JM Financial Limited, Hawkins Cookers Limited, Batliboi Limited, Manappuram Finance Limited and Manipal Global Education Services Private Limited.

Mr. Dhirendra Singh is an Independent Director of the Company. He has been a Director of the Company since July 12, 2010. Mr. Singh holds a master's degree in political science from the University of Allahabad and a master's diploma in public administration from the Indian Institute of Public Administration, New Delhi. He serves as a director on the board of directors of several companies such as HCL Infosystems Limited, Digilife Distribution and Marketing Services Limited and HCL Infotech Limited.

Ms. Roshini Bakshi is an Independent Director of the Company. She has been a Director of the Company since January 21, 2015. Ms. Bakshi attained her post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. She is currently the managing director at Everstone Capital Asia Pte. Ltd. She serves as a director on the board of directors of several companies such as Persistent Systems Limited and Max Healthcare Institute Limited.

Mr. Atul Mehra is the Non-executive Director of the Company since July 19, 2017. Mr. Mehra holds a master's degree in management studies from University of Mumbai. He is the managing director and co-chief executive officer of the Investment Banking Division of the JM Financial group. He began his career with the JM Financial group in 1991 and has worked closely with various departments across the investment banking business and has been with the JM Financial group for over 25 years. He has been involved in marquee domestic and cross border transactions.

Mr. Subodh Shinkar is the Non-executive Director of the Company since July 17, 2018. Mr. Shinkar holds a bachelor's degree in commerce from the University of Mumbai and is an associate member of the Institute of Chartered Accountants of India. He has been associated with JM Financial group since 1992 and plays a key role in managing investment advisory business including wealth management, non-institutional equity broking and distribution. He also oversees securities backed lending in the form of margin financing and initial public offering financing of the JM Financial group. He serves as a director on the board of directors of several companies such as JM Financial Capital Limited, JM Financial Home Loans Limited and JM Financial Commtrade Limited.

Mr. Vishal Kampani is the Managing Director of the Company. He has been a Director in the Company since April 21, 2008. Mr. Kampani holds a master's degree in commerce from University of Mumbai and has completed his master of science (finance) from London Business School, University of London. He serves as a director on the board of directors of several companies such as JM Financial Limited, JM Financial Services Limited and JM Financial Institutional Securities Limited.

Remuneration of the Directors

Terms and Conditions of employment of Managing Director

Mr. Vishal Kampani was appointed as the Managing Director of the Company for a period of five years with effect from September 15, 2016 pursuant to a resolution passed by the Members at the 33rd AGM held on June 1, 2017 on the terms and conditions including remuneration as set out in an agreement dated October 27, 2016 entered into by the Company with Mr. Kampani.

The remuneration paid to Mr. Vishal Kampani for the financial year ended March 31, 2018 is ₹ 13.17 crores.

Set out hereunder are the details of the terms and conditions including remuneration of Mr. Vishal Kampani:

S. No.	Category	Description
Remuneration		
1.	Salary	₹ 10,00,000 per month with such annual increments as may be decided by the Board or Nomination and Remuneration Committee of the Board in the range of ₹ 10 Lakh to ₹ 15 Lakh per month, during the tenure of Mr. Vishal Kampani as the Managing Director.
2.	Performance incentive	Performance Linked Discretionary Bonus as may be decided by the Board or Nomination and Remuneration Committee of the Board.
Perquisites		
1.	Residential accommodation	Provision of a fully furnished residential accommodation including its up-keep and maintenance of such accommodation.
2.	Expenses relating to residential accommodation	Provision of gas, electricity, water and furnishing the cost of which to be borne and paid by the Company.
3.	Others	Other perquisites such as two motor cars along with chauffeur for business and personal use, to pay for annual and/or membership fees of not more than two clubs, reimburse the actual medical expenses incurred in India and/or abroad by the Managing Director, his spouse, dependent children and his parents, pay for group personal accident insurance, group term life insurance and group hospitalisation insurance, benefit of the Company's Provident Fund Scheme for Mr. Vishal Kampani and family, gratuity, Encashment of un-availed leave at the end of the tenure, provide for business class return air fare once in a year to any destination for the Managing Director, his spouse and two dependent children and other policies and benefits that may be introduced from time to time by the Company shall be provided to the Managing Director as per the rules of the Company subject to approval of the Board.

Mr. Vishal Kampani is also the Managing Director of JM Financial Limited, the holding company of the Company with effect from October 1, 2016 and draws remuneration from JM Financial Limited. As per the terms of the Agreement entered into by the Company with Mr. Vishal Kampani, so long as he serves as Managing Director of the Company and of JM Financial Limited, the total amount of remuneration that may be paid to him by the Company and by JM Financial Limited shall not exceed the higher maximum limit admissible from the Company or JM Financial Limited, as the case may be, in accordance with the applicable provisions of the Companies Act, 2013 and Schedule V thereto.

Terms and Conditions of employment of Non-executive Directors

Pursuant to a resolution passed at the meeting of the Board of the Company on May 5, 2014 a sitting fees of ₹ 50,000 is payable to Non-executive Directors for attending each meeting of the Board, a sitting fees of ₹ 25,000 is payable to Non-executive Directors for attending each meeting of an Audit Committee and ₹ 10,000 is payable to Non-executive Directors for attending each meeting of the Nomination and Remuneration Committee and Corporate Social Responsibility Committee. Further, if any Director is called upon to advice the Company as an expert or is called upon to perform certain services, the Board is entitled to pay the director such remuneration as it thinks fit. Save as provided in this section, except for the sitting fees and any remuneration payable for advising the Company as an expert or for performing certain services, our Non-executive directors are not entitled to any other remuneration from the Company.

Pursuant to a resolution passed by the Members at their 32nd AGM held on July 21, 2016, the Directors (excluding the Managing Director and Whole Time Directors) are entitled to, as Commission, an aggregate sum not exceeding 1% of the net profits of the Company where the Company has a Managing Director or Whole-Time Director or Manager and not exceeding 3% of the net profits of the Company where the Company does not have Managing Director or Whole-Time Director or Manager calculated in accordance with the provisions of the Act. Subject to the above, payments and distribution amongst the Directors shall be at the discretion of the Board and such payments are payable in respect of the profits of the Company for each financial year.

The sitting fees and commission paid to the Non-executive Directors as on March 31, 2018 are set out hereunder:

Name of the Director	Amount of sitting fees (in ₹)	Amount of commission (in ₹)
Mr. V P Shetty	Nil	1,31,00,000
Mr. M R Umarji	3,30,000	6,50,000
Mr. E A Kshirsagar	4,00,000	7,50,000
Mr. Dhirendra Singh	4,20,000	6,50,000
Ms. Roshini Bakshi	50,000	4,50,000
Mr. Atul Mehra	Nil	60,00,000
Mr. Subodh Shinkar	NA*	NA*

*Since Mr. Subodh Shinkar was appointed with effect from July 17, 2018.

None of our Directors are a director on the board of any subsidiary company. Consequently, no remuneration is being paid to any director of the Company by any subsidiary company of the Company.

Other understandings and confirmations

Our Directors have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

Borrowing powers of the Board

Pursuant to a resolution passed by the Members at their EGM held on October 25, 2018 and in accordance with Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, our Board has been authorised to borrow from time to time, as the Board may think fit, any sum or sums of money sums of money, notwithstanding that the moneys to be so borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital, free reserves and securities premium account of the Company. The aggregate of the moneys that may be thus borrowed by the Company together with the moneys already borrowed and remaining outstanding shall not at any time ₹ 14,000 crores (Rupees Fourteen Thousand Crores only) and in addition to the paid up capital, free reserves and securities premium account of the Company for the time being.

Interest of the Directors

All our Directors, including Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, to the extent of commission and other remuneration payable to them pursuant to our Articles of Association. In addition, none of our Directors are interested to the extent of interest receivable on loans advanced by the Directors and rent received from the Company for lease of immovable properties owned by Directors. Our Directors may be deemend to be interested to the extent of remuneration paid to them for services rendered as officers of the Company.

Our Directors may also be deemed to be interested to the extent of Equity Shares, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors, excluding independent directors, may also be regarded as interested in the Equity Shares, if any, held by the companies, firms and trusts, in which they are interested as directors, members, partners or trustees and Promoter.

None of our Directors are interested in consideration received/paid or any loans or advances provided to any body corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

Except as disclosed hereinabove and the section titled "*Risk Factors*" on page 12 of this Draft Shelf Prospectus, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by the Company.

Except as stated in the section titled "*Financial Information*" on page 245 of this Draft Shelf Prospectus and to the extent of compensation and commission, if any, and their shareholding in the Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired or proposed to be acquired by the Company in the preceding two years of filing this Draft Shelf Prospectus with the Designated Stock Exchange nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to the Company. No benefit/interest will accrue to our Promoter/Directors out of the objects of the issue. Further, none of our Directors is a Promoter of the Company.

None of the Directors is a Promoter of our Company.

Debenture/Subordinated Debt holding of Directors:

Nil

Changes in the Directors of our Company during the last three years

The changes in the Board of Directors of our Company in the three years preceding the date of this Draft Shelf Prospectus are as follows:

Name	Designation	DIN	Date of appointment	Date of resignation	Remarks
Mr. Darius Udwadia	Independent Director	00009755	May 14, 2012	July 10, 2015	Resignation
Mr. Atul Mehra	Non-executive Director	00095542	July 19, 2017	N.A.	Appointment
Mr. Subodh Shinkar	Additional Director (Non-executive Director)	00095541	July 17, 2018	N.A.	Appointment

Shareholding of Directors

Nil

Our Directors do not hold any shares (voting rights) in subsidiary company of the Company.

Corporate Governance

We are in compliance with the requirements of corporate governance as mandated in the Companies Act, 2013, particularly those in relation to the composition of the Board of Directors, constitution of committees such as audit committee and nomination and remuneration committee. Pursuant to a RBI Circular dated May 08, 2007

(including modifications made from time to time), all NBFC-ND-SIs are required to adhere to certain corporate governance norms including constitution of an audit committee, a nomination and remuneration committee, a risk management committee and certain other norms in connection with disclosure and transparency and connected lending. We have complied with these corporate governance requirements.

Currently, our Board has eight Directors, and the Chairman of the Board is a Non-executive Director. Our Board has constituted the following committees:

(a) Audit Committee;

(b) Allotment Committee;

(c) Asset Liability Management Committee;

(d) Risk Management Committee;

(e) Nomination and Remuneration Committee;

(f) Corporate Social Responsibility Committee;

(g) Sponsorship and Credit Committee;

(h) NCD Public Issue Committee;

(i) IT Strategy Committee; and

(j) IT Steering Committee

Audit Committee

The Audit Committee of our Board was constituted by our Directors vide a board resolution dated March 16, 2005 and latest reconstitution was approved on October 16, 2012. The current members in Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. E A Kshirsagar	Chairman	Independent Director
Mr. Dhirendra Singh	Member	Independent Director
Mr. M.R. Umarji	Member	Non-executive Director

Terms of reference of the Audit Committee include:

- recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.

Allotment Committee

The Allotment Committee was constituted by our Directors vide a board resolution dated October 16, 2007 and the latest reconstitution was approved on July 19, 2017. The current members in the Allotment Committee comprises of:

Name of the Director	Designation in the Committee	ture of Directorship
Mr. V P Shetty	Chairman	Non-executive Director

Name of the Director	Designation in the Committee	ture of Directorship
Mr. Atul Mehra	Member	Non-executive Director
Mr. Vishal Kampani	Member	Managing Director

Terms of reference of the Allotment Committee include:

- to allot the securities issued by the Company from time to time;
- to issue new certificates for equity shares, NCDs and such other securities that may be allotted by the Company from time to time;
- to issue duplicate certificates for the equity shares, NCDs and such other securities; and
- to do all such acts, deeds, matters and things as may be required to allot and issue certificates as above.

Nomination and Remuneration Committee

Pursuant to the Companies Act, 2013, the Nomination and Remuneration Committee was constituted by our Directors vide a board resolution dated May 5, 2014 and the latest reconstitution was approved on July 20, 2015. The current members in the Nomination and Remuneration Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. E A Kshirsagar	Chairman	Independent Director
Mr. Dhirendra Singh	Member	Independent Director
Mr. M.R. Umarji	Member	Non-executive Director

Terms of reference of the Nomination and Remuneration Committee include:

- formulating the criteria for determining qualifications, positive attributes and independence of a director;
- identifying and recommending the Board of Directors, the appointment of persons considered capable and fit for the role of a director based on the criteria so formulated;
- evaluating of Directors' performance;
- recommending to the Board of Directors a policy relating to the remuneration for the directors, key managerial personnel and other senior employees of the Company; and
- such other tasks as may be entrusted to it by the Board of Directors from time to time.

Asset Liability Management Committee

The Asset Liability Management Committee was first constituted by our Directors by a board resolution dated March 16, 2005 and latest reconstitution was approved on January 18, 2019. The current members in the Asset Liability Management Committee comprises of:

Name of the Director	Designation in the Committee	Nature of directorship/membership
Mr. V P Shetty	Chairman	Non-executive Director
Mr. Nishit Shah	Member	Chief Financial Officer
Mr. Vishal Kampani	Member	Managing Director

Terms of reference of the Asset Liability Management Committee include:

- reviewing the asset-liability profile of the Company with a view to manage the market exposure assumed by the Company;
- safeguarding the recovery positions at any point of time;
- reviewing risk monitoring system, ensure payment of liability and its due dates, liquidity risk management, funding and capital planning, profit planning and growth projection, forecasting and analysing 'what if scenario' and preparation of contingency plans; and
- performing such other functions in relation to the lending activities such as to check the credit worthiness of the client, to approve loan and disbursement of loan and to renew loans from time to time.

Risk Management Committee

Risk Management Committee was first constituted by our Directors vide a board resolution dated November 21, 2007 and latest reconstitution was approved on April 21, 2008. The current members in the Risk Management Committee comprises of::

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. V P Shetty	Chairman	Non-executive Director
Mr. Vishal Kampani	Member	Managing Director

The Risk Management Committee shall have overall responsibility for overseeing the risk management activities of the Company, approving appropriate risk management procedures and measurement methodologies across the organization as well as identification and management of strategic business risks. Terms of reference of Risk Management Committee includes the following:

- identifying, monitoring and measurement of the risk profile of the Company (including market risk, operational risk and transactional risk);
- overseeing its integrated risk measurement system;
- reviewing the minutes of meetings of the Asset Liability Management Committee;
- reviewing the following:
  - returns/ reports to the RBI;
  - periodic investment portfolio; and
- performing any other act, duty as stipulated by the Companies Act, Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges, and any other regulatory authority, as prescribed from time to time.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by our Directors by a board resolution dated May 5, 2014 and comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. V P Shetty	Chairman	Non-executive Director
Mr. E A Kshirsagar	Member	Independent Director
Mr. Vishal Kampani	Member	Managing Director

Terms of reference of the CSR and Business Responsibility Committee include the following:

- formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- making recommendation on the amount of expenditure to be incurred on CSR activities;
- instituting a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company.

Sponsorship and Credit Committee

The Sponsorship and Credit Committee was first constituted by our Directors vide a board resolution dated April 21, 2008 and and latest reconstitution was approved on July 17, 2018 with the following members:

Name of the Director	Designation in the Committee	ture of Directorship
Mr. V P Shetty	Chairman	Non-executive Director
Mr. Atul Mehra	Member	Non-executive Director
Mr. Subodh Shinkar	Member	Non-executive Director
Mr. Vishal Kampani	Member	Managing Director

Terms of reference of the Sponsorship and Credit Committee include the following:

- scrutinizing the loan proposals and if satisfied approving the sanction of the loan proposal;
- overviewing the Company's financial positions and fund requirements for extending the same to its clients;
- deciding the amounts to be borrowed by the Company vide issue of Debentures/Inter Corporate Deposits of varied maturities, bank borrowings, etc.;
- reviewing the statement of overdues and NPAs.

NCD Public Issue Committee

The NCD Public Issue Committee was constituted by our Directors vide a board resolution dated October 24, 2018 with the following members:

Name of the Director	Designation in the Committee	ture of directorship
Mr. V P Shetty	Chairman	Non-executive Director
Mr. Vishal Kampani	Member	Managing Director
Mr. Atul Mehra	Member	Non-executive Director

Terms of reference of the NCD Public Issue Committee include the following:

- to appoint and enter into arrangements with lead managers for the Issue, legal advisors, registrars, bankers to the Issue, and all other intermediaries and advisors necessary for the Issue, to enter into and execute all such arrangements, contracts/agreements, memorandum, documents, etc., in connection therewith;
- to negotiate, authorize, approve and pay commission, fees, remuneration, expenses and / or any other charges to the applicable agencies / persons and to give them such directions or instructions as it may deem fit from time to time;
- to settle all questions, difficulties or doubts that may arise in regard to the Issue or allotment of shares as it may, in its absolute discretion deem fit;
- to negotiate, finalise, settle and execute the issue agreement, and all other necessary documents, deeds, agreements and instruments in relation to the Issue, including but not limited to any amendments/ modifications thereto;
- to take necessary actions and steps for obtaining relevant approvals, from SEBI, Stock Exchanges, RBI and such other authorities as may be necessary in relation to the Issue;
- to finalise the draft shelf prospectus, shelf prospectus and Tranche prospectus, application form, abridged prospectus and other documents and to file the same with SEBI, the Stock Exchanges and other concerned authorities and issue the same to the applicants to the Issue;
- to open requisite bank accounts with any nationalised bank/private bank/foreign bank for the purpose of the Issue;

- to decide date of opening and closing of the Issue and to the extend, vary or alter the same as it may deem fit at its absolute discretion or as may be suggested or stipulated by SEBI, the Stock Exchanges or other authorities from time to time;

- to issue the Debentures in consultation with the Lead Managers, the registrar, the designated stock exchange and other stock exchanges and to do all necessary acts, execution of documents, undertakings, etc. with National Securities Depository Limited and Central Depository Services (India) Limited in connection with admitting the Debentures issued in the Issue;

- to finalise the basis of allotment of the Debentures in consultation with Lead Managers, registrar and the designated stock exchange; and

- to settle any question, difficulty or doubt that may arise in connection with the Issue including the issuance and allotment of Debentures as aforesaid and to do all such acts and deeds in connection therewith and incidental thereto, as the Committee may in its absolute discretion deem fit.

IT Strategy Committee

The IT Strategy Committee was constituted by our Directors by a board resolution dated July 19, 2017 and comprises of:

Name of the Director	Designation in the Committee	Nature of directorship/membership
Ms. Roshini Bakshi	Member	Independent Director
Mr.Chaitanya Wagh	Member	Group Head - Information Technology
Mr. Subodh Shinkar	Member	Non-executive Director

Terms of reference of the IT Strategy Committee include the following:

- approve the IT strategy and policy documents;

- ensure IT investments represent a balance of risks and benefits and that budgets are acceptable;

- monitor the method that management uses to determine the IT Resources needed to achieve strategic goals;

- insures institute effective governance mechanism and risk management process for all IT outsourced operations, and

- performing any other act, duty as stipulated by the Reserve Bank of India and any other regulatory authority, as prescribed from time to time.

IT Steering Committee

The IT Steering Committee was constituted by our Directors by a board resolution dated July 19, 2017 and reconstituted on January 18, 2019 and comprises of:

Name of the Director	Designation in the Committee
Mr. Chaitanya Wagh	Member
Mr. Sachchidanand Muchandi	Member
Mr. Nishit Shah	Member
Ms. Reena Sharda	Member
Mr. Conrad Vincent	Member

Terms of reference of the IT Steering Committee include the following:

- providing oversight and monitoring the progress of the project, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable.

Relatives of directors

No persons, who are relatives of directors, is appointed to an office or place of profit in our Company.

OUR PROMOTER

Profiles of our Promoter

JM FINANCIAL LIMITED ("JMFL")

(a) JMFL was incorporated as a private limited company under the name of J.M. Share and Stock Brokers Private Limited on January 30, 1986 under the Companies Act, 1956. Subsequently, JMFL became a deemed public limited company upon its promoter, J. M. Financial & Investment Consultancy Services Private Limited becoming a deemed public limited company on June 15, 1988, by virtue of the Companies (Amendment) Act, 1988 read with the Companies Act, 1956. On September 15, 2004, the name of the company was changed to JM Financial Limited.

(b) JMFL was classified as a systemically important non-deposit taking core investment company (CIC-ND-SI) in accordance with the certificate of registration issued by the RBI dated April 11, 2014, under Section 45-IA of the RBI Act. The National Company Law Tribunal, Mumbai Bench, passed an order dated December 14, 2017, sanctioning the scheme of amalgamation (the "Scheme") between JM Financial Institutional Securities Limited and JM Financial Investment Managers Limited and JMFL, which was filed with the RoC on January 18, 2018 and accordingly became effective from January 18, 2018. Consequent upon the Scheme becoming effective, JMFL ceased to be a core investment company and became a SEBI registered Category I merchant banker and investment manager to the private equity fund.

(c) JMFL is part of an established financial services group providing a range of financial services. Beginning with the establishment of JM Financial and Investment Consultancy Services Private Limited in September 1973, the major shareholder and promoter of JMFL, the longstanding operations in the financial services sector has resulted in establishing "JM Financial" as a recognized brand.

(d) JMFL has its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai 400025 and bears the CIN L67120MH1986PLC038784.

(e) The board of directors of JMFL as on the date of filing of this Draft Shelf Prospectus are:

Name	Designation
Mr. Nimesh Kampani	Non-Executive Chairman
Mr. Vishal Kampani	Managing Director
Mr. E.A. Kshirsagar	Independent Director
Mr. Darius E. Udwadia	Independent Director
Mr. Paul Zuckerman	Independent Director
Dr. Vijay Kelkar	Independent Director
Mr. Keki Dadiseth	Independent Director
Ms. Jagi Mangat Panda	Independent Director

Other understandings and confirmations

Our Promoter has confirmed that it has not been identified as willful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoter in the past or are currently pending against them. Neither our Promoter nor Directors are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Our Promoter is not in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

Common Pursuits of Promoter and Group Companies

Our Promoter has interests in the following entities that are engaged in businesses similar to ours and this may result in potential conflicts of interest with our Company.

1. JM Financial Home Loans Limited
2. JM Financial Capital Limited
3. JM Financial Credit Solutions Limited

Our Company has not adopted any measures for mitigating such conflict situations. For further details, see section titled "*Risk Factors"* at page 12 of this Draft Shelf Prospectus. For further details on the related party transactions, to the extent of which our Company is involved, see section titled "*Financial Information*" at page 245 of this Draft Shelf Prospectus.

Interest of Promoter in our Company

Except as disclosed below, and as stated under the section titled "*Financial Information*" beginning on page 245, other than as our shareholders, our Promoter, do not have any other interest in our Company. Further, our Promoter has given certain personal guarantees in relation to loan facilities availed by our Company. For details see the section titled "*Disclosures on Existing Financial Indebtedness*" at page 132 of this Draft Shelf Prospectus.

Details of Shares allotted to our Promoter during the last three Financial Years

Nil

Shareholding Pattern of our Promoter as on December 31, 2018

I. Summary Statement Holding of Specified Securities

Category (I)	Category of shareholder (II)	No of shareholders (III)$	No of fully paid-up equity shares held (IV)	No of Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total no. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) (VIII) As	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including	Shareholding, as a % assuming full conversion of convertible securities (as a percentage	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)@
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg: X	Class eg: Y	Total								
(A)	Promoter & Promoter Group	12	521238258	0	0	521238258	62.06	521238258.00	0	521238258.00	62.06	0	62.06	0	0	0	0	521238258
(B)	Public	58238	318672807	0	0	318672807	37.94	318672807.00	0	318672807.00	37.94	0	37.94	0	0	NA		315653915
(C)	Non Promoter - Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	**0**	0	**0**	0	0.00	0	0	0	0	**0**	**0**	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	**0**	0	**0**	0	0.00	0	0	0	0	**0**	**0**	0
	Total	**58250**	**839911065**	**0**	**0**	**839911065**	**100**	**839911065.00**	**0**	**839911065.00**	**100.00**	**0**	**100.00**	**0**	**0**	**0**	**0**	**836892173**

II. Statement Showing Shareholding Pattern of the Promoter and Promoter Group

	Category & Name of the shareholders (I)	PAN (II)	No of shareholder (III)$	No of fully paid- up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total no. of shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)@
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
									Class eg: X	Class eg: Y	Total								

(1)	**Indian**																		
(a)	**Individuals/H.U.F**		**5**	**193058750**	**0**	**0**	**193058750**	**22.99**	**193058750.00**	**NA**	**193058750.00**	**22.99**	**NA**	**22.99**	**0**	**0**	**0**	**0**	**193058750**
1	Nimesh Kampani	AAHPK2701P		13410750	**0**	**0**	13410750	15.97	134107500		**13410750**	**15.97**		15.97					134107500
2	Aruna Kampani	AAPPK2879N		38451250	**0**	**0**	38451250	4.58	38451250		**38451250**	**4.58**		4.58					38451250
3	Amishi Kampani	ANLPK3297K		8000000	**0**	**0**	8000000	0.95	8000000		**8000000**	**0.95**		0.95					8000000
4	Vishal Kampani	AABPK5329F		11250000	**0**	**0**	11250000	1.34	11250000		**11250000**	**1.34**		1.34					10500000
5	Nimesh Kampani	AAAHN3025Q		1250000	**0**	**0**	1250000	0.15	1250000		**1250000**	**0.15**		0.15					1250000
(b)	**Central/State Government(s)**	NA	0	0	0	0	0	0	0	NA	0	**0.00**	NA	0	0	0	0	0	0
(c)	Financial Institutions/Banks	NA	0	0	0	0	0	0	0	NA	0	**0.00**	NA	0	0	0	0	0	0
(d)	**Any Other (Specify)**		7	32817950			32817950	39.07	328179508.00		32817950	39.07		39.07					328179508
	a) Bodies Corporate		**7**	**32817950**	**0**	**0**	**32817950**	**39.07**	**328179508**	**NA**	**32817950**	**39.17**	**NA**	**39.17**	**0**	**0**	**0**	**0**	**328179508**
1	J M Financial And Investment Consultancy Services Private Limited	AAACJ1237H		203406600	0	0	203406600	24.22	203406600		**203406600**	**24.22**		24.22					203406600
2	J M Assets Management Private Limited	AAACJ1238J		103042908	0	0	103042908	12.27	103042908		**103042908**	**12.27**		12.27					103042908
3	JSB Securities Limited	AAACJ1402A		6505000	0	0	6505000	0.77	6505000		**6505000**	**0.77**		0.77					6505000
4	SNK Investments Private Limited	AAECS8123R		11760000	0	0	11760000	1.40	11760000		**11760000**	**1.40**		1.40					11760000
5	Persepolis Investment Company Private Limited	AAACP2510P		1650000	0	0	1650000	0.20	1650000		**1650000**	**0.20**		0.20					1650000
6	Kampani Consultants Limited	AAACK4250F		685000	0	0	685000	0.08	685000		**685000**	**0.08**		0.08					685000
7	JM Financial Trustee Company Private Limited	AAACJ2579E		1130000	0	0	1130000	0.13	1130000		**1130000**	**0.13**		0.13					1130000
	Sub- Total (A)(1)		**12**	**52123825**	**0**	**0**	**52123825**	**62.06**	**521238258.00**	**NA**	**52123825**	**62.06**	**NA**	**62.06**	**0**	**0**	**0**	**0**	**521238258**
	Foreign	**NA**	0	0	0	0	0	0	0	NA	NA	NA	NA	0	0	0	0	0	0
(2)	Individuals (Non-Resident Individuals/		0	0	0	0	0	0	0	NA	NA	NA	NA	0	0	0	0	0	0

	Foreign Individuals)																		
(a)	Government		0	0	0	0	0	0	0	NA	NA	NA	NA	0	0	0	**0**	**0**	0
(b)	Institutions		0	0	0	0	0	**0**	0	NA	NA	NA	NA	0	0	0	**0**	**0**	0
(c)	Foreign Portfolio Investor		0	0	0	0	0	0	0	NA	NA	NA	NA	0	0	0	**0**	**0**	0
(d)	Any Other (Specify)		0	0	0	0	0	0	0	NA	NA	NA	NA	0	0	0	**0**	**0**	0
(e)	**Sub- Total (A)(2)**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**NA**	**NA**	NA	**NA**	**0**	**0**	**0**	**0**	**0**	**0**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		**12**	**521238258**	**0**	**0**	**521238258**	**62.06**	**521238258.00**	**NA**	**521238258**	**62.06**	**NA**	**62.06**	**0**	**0**		**0**	**521238258**

III. Statement Showing Shareholding Pattern of the Public Shareholder

	Category & Name of the shareholders (I)	**PAN (II)**	**Nos of shareholder (III)$**	**No of fully paid-up equity shares held (IV)**	**Partly paid-up equity shares held (V)**	**No of shares underlying Depository Receipts (VI)**	**Total nos. shares held (VII) = (IV)+(V)+(VI)**	**Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)**	**Number of Voting Rights held in each class of securities (IX)**				**No of shares Underlying Outstanding convertible securities (Including Warrants) (X)**	**Total Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)**	**Number of Locked in shares (XII)**		**Number of shares pledged or otherwise encumbered (XIII)**		**Number of equity shares held in dematerialized form (XIV)@**
									No of Voting Rights			**Total as a % of Total Voting Rights**			**No. (a)**	**As a % of total shares held (b)**	**No. (Not applicable) (a)**	**As a % of total shares held (Not applicable) (b)**	
									Class eg: X	Class eg: Y	Total								
(1)	**Institutions**																		
(a)	Mutual Fund/UTI		9	39370505	0	0	39370505	4.69	39370505	NA	39370505	4.69	NA	4.69	0	0	NA		39370505
	Reliance Capital Trustee Company Limited	AAATR0090B		11695156	0	0	11695156	1.39	11695156	NA	11695156	1.39	NA	1.39					11695156
(b)	Venture Capital Funds		0	0	0	0	0	0	0	NA	0	0.00	NA	0	0	0	NA		0
(c)	Alternate Investment Funds		2	101450	0	0	101450	0.01	101450	NA	101450	0.01	NA	0.01	0	0	NA		101450
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0	0	NA	0	0.00	NA	0	0	0	NA		0
(e)	Foreign Portfolio Investors		122	145950902	0	0	145950902	17.38	145950902	NA	145950902	17.38	NA	17.38	0	0	NA		145950902
	Valiant Mauritius	AACCV85			0	0				NA		2.48	NA	2.48	0	0			

	Partners Offshore Limited	09Q		20845475			20845475	2.48	20845475		20845475							20845475
	Baron Emerging Markets Fund	AAECB4051F		20442727	0	0	20442727	2.43	20442727	NA	20442727	2.43	NA	2.43	0	0		20442727
	SAIF India VI FII Holdings Limited	AAZCS6367E		15121775	0	0	15121775	1.80	15121775	NA	15121775	1.80	NA	1.80	0	0		15121775
	TIMF Holdings	AAFCT0480M		14288022	0	0	14288022	1.70	14288022	NA	14288022	1.70	NA	1.70	0	0		14288022
	Valiant Mauritius Partners Limited	AACCV8506B		137256979	0	0	13725697	1.63	13725697	NA	13725697	1.63	NA	1.63	0	0		13725697
	The Wellington Trust Company National Association Multiple Common Trust Funds Trust Emerging Markets Local Equity Portfolio	AAATW1456C		10328131	0	0	10328131	1.23	10328131	NA	10328131	1.23	NA	1.23	0	0		10328131
(f)	Financial Institutions/Banks		3	531749	0	0	531749	0.06	531749	NA	531749	0.06	NA	0.06	0	0	NA	531749
(g)	Insurance Companies		0	0		0	0	0.00	0	NA	0	0.00	NA	0.00	0	0	NA	0
(h)	Provident Funds/Pension Funds		0	0	0	0	0	0	0	NA	0	0.00	NA	0.00	0	0	NA	0
(i)	Any Other (specify)		0	0	0	0	0	0	0	NA	0	0.00	NA	0.00	0	0	NA	0
	Sub- Total (B)(1)		**136**	**185954606**	**0**	**0**	**185954606**	**22.14**	**185954606.00**	**NA**	**185954606**	**22.14**	**NA**	**22.14**	**0**	**0.00%**	**NA**	**185954606**
(2)	**Central Government/State Government(s)/President of India**		0	0	0	0	0	0	0	NA	0	0.00	NA	0	0	0	NA	0
	Sub- Total (B)(2)		0	0			0	0.00	0	NA	0	0.00	NA	0	0	**0.00%**	NA	0
(3)	**Non- Institutions**								0		0	0.00					NA	
(a)	**Individuals -** **i.** Individual shareholders holding nominal share capital up to Rs.2 lakhs		56029	51731502	0	0	51731502	6.16	51731502	NA	51731502	6.16	NA	6.16	0	0	NA	48749860
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakhs		50	43174785	0	0	43174785	5.14	43174785	NA	43174785	5.14	NA	5.14	0	0	NA	43174785
(b)	NBFCs registered with RBI		10	48399	0	0	48399	0.01	48399	NA	48399	0.01	NA	0.01	0	0	NA	48399
(c)	Employee Trust		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	0
(d)	Overseas Depositories (holding DRs) (balancing		0	0	0	0	0	0	0	NA	0	0.00	NA	0	0	0	NA	0

	figure)																	
(e)	Any Other (Specify)		2013	37763515	0	0	37763515	4.50	37763515	NA	37763515	4.50	NA	4.50	0	0	NA	37726265
i)	Bodies Corporate		716	20110819	0	0	20110819	2.39	20110819	NA	20110819	2.39	NA	2.39	0	0	NA	20078569
ii)	Clearing Member		130	1860286	0	0	1860286	0.22	1860286	NA	1860286	0.22	NA	0.22	0	0	NA	1860286
iii)	Non-Resident Indian (NRI)		1159	14468758	0	0	14468758	1.72	14468758	NA	14468758	1.72	NA	1.72	0	0	NA	14463758
	Non-Resident Indian – *More than 1% of shareholding Vikram Shankar Pandit*	*BMBPP6041G*	1	*11646939*			*11646939*	*1.39*	*11646939*	NA	*11646939*	*1.39*	NA	*1.39*	0	0	*NA*	*11646939*
iv)	Trusts		5	4600	0	0	4600	*0.00*	4600	NA	4600	*0.00*	NA	*0.00*	0	0	NA	4600
v)	IEPF		1	1318809	0	0	1318809	0.16	1318809	NA	1318809	0.16	NA	0.16	0	0	NA	1318809
vi)	Foreign Nationals		2	243	0	0	243	*0.00*	243		243	*0.00*	NA	*0.00*	0	0	NA	243
	Sub- Total (B)(3)		**58102**	**132718201**	**0**	**0**	**132718201**	**15.80**	**132718201.00**	**NA**	**132718201**	**15.80**	**NA**	**15.80**	**0**	**0.00%**	**NA**	**129699309**
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)		**58238**	**318672807**	**0**	**0**	**318672807**	**37.94**	**318672807.00**	**NA**	**318672807**	**37.94**	**NA**	**37.94**	**0**	**0.00%**	**NA**	**315653915**

IV. Statement showing shareholding pattern of the Non Promoter-Non Public Shareholder

	Category & Name of the shareholders (I)	**PAN (II)**	**Nos of shareholder (III)$**	**No of fully paid-up equity shares held (IV)**	**Partly paid-up equity shares held (V)**	**No of shares underlying Depository Receipts (VI)**	**Total nos. shares held (VII) = (IV)+(V)+(VI)**	**Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)**	**Number of Voting Rights held in each class of securities (IX)**				**No of shares Underlying Outstanding convertible securities (Including Warrants) (X)**	**Total Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of**	**Number of Locked in shares (XII)**		**Number of shares pledged or otherwise encumbered**		**Number of equity shares held in dematerialized form (XIV)@**
									No of Voting Rights			**Total as a % of Total Voting Rights**			**No.**	**As a % of total shares held**	**No. (Not applicable e)**	**As a % of total shares held (Not applicable)**	
									Class eg: X	Class eg: Y	Total								
(1)	**Custodian/DR Holder**			**NA**													NA		
(a)	Name of DR Holder (If																NA		
(i)	abc…..																NA		
(ii)	efg……																NA		
(2)	**Employee Benefit Trust (Under SEBI (Share based Employee Benefit Regulations, 2014)**			**NA**													NA		
(a)	Name (abc…..																NA		

	Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)																**NA**	

Interest of our Promoter in property, land and construction

Except as stated in section titled "*Financial Information*" at page 245 of this Draft Shelf Prospectus, our Promoter do not have any interest in any property acquired by our Company within two years preceding the date of filing of this Draft Shelf Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Our Promoter's holding

In terms of the SEBI circular dated September 15, 2015 on "Disclosures to be made by NBFCs in the Offer Documents for public issue of Debt Securities under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008", there has been no change in the Promoter's holding beyond the threshold limit of 26% as prescribed under the said cricular.

DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

The outstanding borrowings of the Company as on December 31, 2018#, are as follows:

(In ₹ crore)

S.No.	Nature of borrowings	Amount*
	Secured borrowings*	3,324.7
	Unsecured borrowings**	2,821.7

**Borrowing through non convertible debentures shown at face value without considering premium / unamortized discount on issue of Rs. 1.7 Crore.*
*** Borrowing through commerical papers shown at face value without considering discount of Rs. 58.2 Crore.*
 # Total borrowing is excluding effective interest rate impact amounting to Rs. 11.3 Crore.

Set forth below, is a summary of the borrowings by the Company as at December 31, 2018 together with a brief description of certain significant terms of such financing arrangements.

A. **Details of Secured Borrowings:**

Our Company's secured borrowings as on December 31, 2018 amount to ₹ 3,324.7 crores. The details of the individual borrowings are set out below:

1. ***Cash Credit facilities availed by the Company***

(In ₹ crore)

S. No.	Bank	Date of Sanction	Amount sanctioned	Amount outstanding as on December 31, 2018	Security	Repayment	Penalty
1.	IDBI Bank	January 15, 2016 and September 05, 2017 and further modified by letter dated October 25, 2018	100	98.7	Secured by way of a floating first par-passu charge by way of hypothecation of the Company's loan receivables / book debts, with an asset cover of at least 1.25 times.	On demand	Diversion of facilities to inter-corporate deposits, debentures, stocks and shares, etc and inability to meet other terms and conditions will result in withdrawal of facilities and a penal interest of 2% over and above the rate charges will be enforced till the repayment. Delay in submission of stock and debtors statements and cash flow statements will attract penal interest 2% over and above the rate charged.
2.	Bank of Baroda	March 28, 2018 and further modified by sanction letter dated July 31, 2018	100	99.4	Secured by way of a first pari-passu charge on the Company's loan receivables with an asset cover of at-least 1.25 times.	On demand	The bank will charge/levy penal interest at 2% p.a. on the entire outstanding above the rate applicable if there is non-compliance of terms and conditions, irregularities in account, non-submission/delayed submission of book debt statement, default in payment.
		TOTAL	**200**	**198.1**			

2. ***Term Loans availed by the Company****

(In ₹ crore)

S. No.	Bank	Date of sanction	Amount sanctioned	Amount outstanding as on December 31, 2018	Security	Repayment	Pre-payment	Penalty
1.	Bank of India	June 28, 2017 and further modified by letters dated August 01, 2017 and November 12, 2018	200	136.6	Secured by a first pari-passu charge by way of hypothecation of loan receivables/book	Repayment in 12 quarterly equal installments of Rs. 16.67 crore, after 4 quarters of moratorium i.e. door to door tenor of	N.A.	Penal interest of 2% p.a. will be levied on the overdue amount. Any default in

					-debts of company. Minimum 1.25 times security cover to be maintained at all the times	16 quarters.		complying with terms of sanction will attract penal interest of 1% p.a. Non-submission of stock/book debts by 20th of the succeeding month and delay in submission of financial statements will attract penal interest 1% p.a.
2.	Canara Bank	September 28, 2017	200	200.0	Secured by a first pari-passu charge with other lenders under multiple banking arrangement by the way of hypothecation of standard receivables of the company arising out of the loan and on such other Current assets as may be identified by the company from time to time with asset cover of 1.25 times.	12 equal quarterly installment of Rs. 16.67 crore after initial moratorium period of 18 months from the date of 1st disbursement. Interest to be paid as and when due at monthly rests.	Prepayment charges of 1% will be applicable, including in case of takeover of the term loan by any other bank or financial institution.	Delay in submitting audited financial statements will attract penal interest at 2% p.a. on outstanding liability. Non payment of interest / installment on the due date will attract penal interest of 2% on the overdue interest / installment.
3.	State Bank of India	March 10, 2017	200	200.0	Secured by a first pari-passu charge with other lenders under multiple banking arrangement on the entire receivables of the Company with a minimum asset coverage ration of 1.33 times.	A total of 18 installments which has to be paid as follows:) 17 installments of Rs 11.11 crore to be paid within the period, September 2019–January 2021;) 1 installment of Rs 11.13 crore to be paid in February 2021.	Prepayment premium of 1% will be applicable including in case of takeover of the term loan by any other bank / financial institution.	Non payment of interest / installment on the due date will attract penal interest of 1% on the overdue interest / installment. Upto two occasions of default and thereafter on the entire outstanding Non submission of Audited Financial within period of 9 Months will attract penalty of Rs. 10,000/- per month.
4.	Syndicate Bank	November 30, 2017 and further modified by sanction letter dated December 26, 2017.	100	100.0	Secured by a floating pari-passu charge by way of hypothecation of loan receivables / book debts from existing and future customers of the Company which is eligible for bank financing as per the RBI stipulation with a security cover of	10 equal quarterly installments commencing after the completion of moratorium period i.e. from 21st month from the date of disbursement.	Applicable prepayment charges will be incurred based on the certificate of a chartered accountant obtained to this effect.	Penal interest will be charged at 0.50% due to non submission of Audited Financials within 7 months from the close of financial year.

					1.25 times.			
5.	Federal Bank	March 23, 2018	50	50.0	Secured by a floating pari-passu charge by way of hypothecation of receivables of the Company arising out of loan disbursed for corporate funding and LAP with asset cover of 1.10 times.	6 quarterly equal installments after a moratorium period of 18 months.	Prepayment charges will be waived on every anniversary i.e. on 12th and 24th month from the date of drawdown wherein the Company can prepay the loan amount after providing 30 days' notice. Other instances prepayment will be levied at the rate of 2% p.a.	2% p.a. in case of any delay in servicing of interest/principal. 1% p.a in case of non submission of Audited Financials within 7 months from the close of the financial year
6.	Bank of Baroda	March 23, 2018 and further modified by sanction letter dated July 31, 2018	100	100.0	Secured by a first pari-passu charge on the Company's loan receivables with an asset cover of at-least 1.25 times.	Repayable in 14 equal quarterly installments which will commence after moratorium of 6 months from the date of first disbursement.	Waiver of prepayment penalty in case of prepayment is made from own sources and after giving 30 days' notice/intimation to the bank. In all other cases applicable charges will be levied.	Penal interest at 2% p.a. on the entire outstanding above the rate applicable in case of non-compliance of terms, irregularities in account, non-submission/delayed submission of book debt statement, default in payment.
7.	ICICI Bank	November 08, 2018 and further modified by sanction letter dated December 10, 2018	150	150.0	Secured by a first pari-passu charge with other lenders under multiple banking arrangement on the entire receivables of the Company with a minimum asset coverage ration of 1.20 times.	Repayable in 8 equal quarterly installments which will commence after moratorium of 4 quarters from the date of first disbursement.	The borrower may prepay in whole or in part (if in part, minimum amount of Rs. 10 crore or in multiples of Rs. 10 crore) or entire outstanding facility upon 15 business days' prior notice to the bank and subject to prepayment premium of 1.00%. However, if the payment is done within 1 year, Pre-payment of 2.00%, will be charged on principle amount.	Additional interest payable at 2% p.a. of the facility amount in case of non-compliance with sanction terms. Penal interest of 1% will be charged for non perfection of security after 90 days and penal interest of 2% will be charged after 120 days from the date of first disbursement.

8.	Bajaj Finance Limited	December 05, 2018	50	50.0	Secured by a First pari-passu charge on the specific pool of receivables of the Company, not offered to bank for their credit facilities to be utilized to borrowing from non-bank lenders, by way of hypothecation on the loan installments receivables, with a minimum asset cover of 1.15 times of the principal amount outstanding at any point of time during the currency of the loan.	18 months door to door including 12 months of principal repayment standstill period from date of first disbursement. Repayment in 2 equal quarterly installments, beginning after expiry of the principal repayment standstill period.	Prepayment penalty of 1% on the outstanding amount in case the prepayment is made within one year from the date of disbursement Prepayment of loan thereafter will be without any prepayment premium/charges with a prior 30-day notice.	2% over and above the interest rate, applicable on principle outstanding and the defaulted amount and for breach of covenants (including financial covenants)/conditions/representations and warranties or any other provision under the sanction letter, from the due date of payment until the date of actual payment. Penalty of 1% p.a will be charged for delay submission of Receivable statement within 15 days at each quarter
TOTAL			**1,050**	**986.6**				

**Borrowing through term loans is excluding effective interest rate impact amounting to Rs. 2.5 Crore.*

Rescheduling: None of the Loan Documents provide for the rescheduling provision.

Events of default: The facility documents executed by the Company stipulate certain events as "Events of Default", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) Any of the installment amount referred to herein above being unpaid on the due date for payment thereof.

(b) Any representation and/or the statements made by the Company in the application being found to be incorrect and/or the Company committing any breach or default in the performance or observance of any terms, conditions or provisions contained in the said application and/or the letter of sanction.

(c) the Company entering into any arrangement or composition with the Company's creditors or committing any act the consequence of which may lead to the Company being ordered to be wound up.

(d) Any process being issued against the Company for execution of a decree and/or for attachment before judgment resulting in any of the property belonging to and/or under the control of the Company being attached.

(e) Any order being made or a resolution being passed for the winding up of the Company.

(f) A receiver being appointed of the entire properties or any part thereof belonging to or under the control of the Company.

(g) The Company ceasing or threatening to cease to carry on business or giving or threatening to give notice of the Company's intention to do so.

(h) A firm of accountants appointed by the lender certifying that the liabilities of the Company exceed the assets owned and/or under the control of the Company and/or that the Company is carrying on business in loss.

(i) The occurrence of any event or circumstances which would or is likely to prejudicially or adversely affect in any manner the capacity of the Company to either repay the said advance or to carry out the said proposal.

(j) Failure of the Borrower to pay on the due date upon which any amount is due and payable whether by way of interest, principal or any other sum stated as payable under this facility.

(k) If the borrower commits any breach of or omit to observe any of its covenants, obligations or undertakings under the term loan and in case of any such breach or omission capable of being remedied, such breach or omission is not remedied within 30 days.

(l) If any representation or warranty made by the Company is incorrect.

(m) If any other borrowings of the Company are not paid when due or is likely to become prematurely payable or capable of being prematurely declared payable or if steps are taken to enforce any security for such indebtedness.

(n) The Company becomes insolvent.

(o) Non-submission of any information which could be defined as "Information Undertakings" with grace period of 15 days.

(p) Diversion of funds, if funds utilized for any activity not eligible for bank finance to NBFCs as per RBI guidelines.

(q) Non compliance with RBI norms.

(r) Downgrade in credit rating from existing rating.

(s) Any material change takes place which in the opinion of the lender in the projected and actual cash flows, financial condition, results of operation or business of the Company.

(t) Control of the Company's voting share capital or Board of Directors significantly changes as a result of a takeover, or merger of, or transfer of shares in or issue or sale of shares by the Borrower without prior intimation to the Bank.

(u) It becomes impossible or unlawful for the lender to make, maintain or fund the facility as contemplated or any of the conditions stated by the Company ceases to be valid, legal and binding and enforceable.

(v) The Government of India or any competent authority takes or states officially that it intents to take, any step with a view to the seizure, expropriation, nationalization or acquisition of any of its assets or revenues.

3. ***Secured Non-Convertible Debentures***

Our Company has issued on private placement basis, listed, secured, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each under various series of which ₹ 2,140.0 crore is cumulatively outstanding as on December 31, 2018, the details of which are set forth below:*

Debenture Series	**Tenor period of maturity**	**Coupon / Effective Yield (in percentage %)**	**Date of Allotment**	**Amounts outstanding as on December 31, 2018 (₹ in crore)**	**lemption Date/Schedule**
Tranche V	1092 days	Zero Coupon	February 5, 2016	3.0	February 1, 2019
Tranche W	1128 days	Zero Coupon	March 1, 2016	4.4	April 3, 2019
Tranche X	1126 days	Zero Coupon	March 22, 2016	3.5	April 22, 2019
Tranche Y	1106 days	Zero Coupon	April 11, 2016	5.4	April 22, 2019
Tranche Z	1091 days	Zero Coupon	April 29, 2016	7.8	April 25, 2019
Tranche AA (Market Linked Debentures)	1097 days	Minimum – 9.30% p.a. (annualised return calculated on XIRR basis), Maximum 9.40% p.a. (annualised return calculated on	June 9, 2016	5.0	June 11, 2019

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Date of Allotment	Amounts outstanding as on December 31, 2018 (₹ in crore)	lemption Date/Schedule
		XIRR basis)			
Tranche AC – Option I	1062 days	Zero Coupon	June 16, 2016	6.2	May 14, 2019
Tranche AC – Option II	1076 days	Zero Coupon	June 16, 2016	6.6	May 28, 2019
Tranche AC – Option III	1097 days	Zero Coupon	June 16, 2016	5.0	June 18, 2019
Tranche AD – Option I	1076 days	Zero Coupon	July 21, 2016	2.8	July 2, 2019
Tranche AD – Option II	1097 days	Zero Coupon	July 21, 2016	6.3	July 23, 2019
Tranche AF – Option I	1064 days	Zero Coupon	September 6, 2016	11.0	August 6, 2019
Tranche AF – Option II	1085 days	Zero Coupon	September 6, 2016	5.7	August 27, 2019
Tranche AN	1170 days	Zero Coupon	January 23, 2017	4.6	April 7, 2020
Tranche AM – Option I	1216 days	Zero Coupon	January 12, 2017	63.0	May 12, 2020
Tranche AM – Option II	1208 days	Zero Coupon	January 12, 2017	1.8	May 4, 2020
Tranche AP – Option III	1220 days	Zero Coupon	February 27, 2017	5.7	July 1, 2020
Tranche AR – Option II	1141 days	Zero Coupon	March 22, 2017	2.0	May 6, 2020
Tranche AT – Option V	1082 days	Zero Coupon	May 26, 2017	20.0	May 12, 2020
Tranche AT – Option VI (Market Linked Debentures)	1222 days	Minimum – 8.95% p.a. (annualised return calculated on XIRR basis), maximum 9.00% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.	May 26, 2017	50.0	September 29, 2020
Tranche AX – Option I	1140 days	Zero Coupon	July 20, 2017	14.7	September 2, 2020
Tranche AX – Option II	1077 days	Zero Coupon	July 20, 2017	11.3	July 1, 2020
Tranche AY	730 days	8.70% p.a.	July 25, 2017	200.0	July 25, 2019
Tranche AZ	1096 days	8.90% p.a.	July 28, 2017	150.0	July 28, 2020
Tranche BA	1031 days	Zero Coupon	September 4, 2017	10.5	July 1, 2020
Tranche BB	1096 days	8.80%	September 28, 2017	120.0	September 28, 2020
Tranche BC	1094 days	8.81% p.a.	November 15, 2017	300.0	November 13, 2020
Tranche BD	1256 days	Zero Coupon	November 21, 2017	50.0	April 30, 2021
Tranche BE - Option IA (Market Linked Debentures)	731 days	Minimum – 8.45% p.a. (annualised return calculated on XIRR basis),	November 28, 2017	15.0	November 29, 2019

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Date of Allotment	Amounts outstanding as on December 31, 2018 (₹ in crore)	lemption Date/Schedule
		maximum 8.50% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.			
Tranche BE - Option IB (Market Linked Debentures)	731 days	Minimum – 8.45% p.a. (annualised return calculated on XIRR basis), maximum 8.50% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.	November 28, 2017	10.0	November 29, 2019
Tranche BF - Option I	1215 days	Zero Coupon	December 8, 2017	15.0	April 06, 2021
Tranche BF - Option II	851 days	Zero Coupon	December 8, 2017	5.0	April 07, 2020
Tranche BG (Market Linked Debentures)	1096 days	Minimum – 8.55% p.a. (annualised return calculated on XIRR basis), maximum 8.60% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.	December 14, 2017	10.0	December 14, 2020
Tranche BH (Market Linked Debentures)	396 days	Minimum – 8.00% p.a. (annualised return calculated on XIRR basis), maximum 8.05% p.a. (annualised return calculated on XIRR basis). However, in extreme	December 29, 2017	7.5	January 29, 2019

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Date of Allotment	Amounts outstanding as on December 31, 2018 (₹ in crore)	lemption Date/Schedule
		situation no coupon amount will be paid.			
Tranche BI - Option I	1180 days	Zero Coupon	January 12, 2018	9.6	April 6, 2021
Tranche BI - Option II (Market Linked Debentures)	686 days	Minimum – 8.45% p.a. (annualised return calculated on XIRR basis), Maximum 8.50% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.	January 12, 2018	30.0	November 29, 2019
Tranche BJ (Market Linked Debentures)	1048 days	Minimum – 8.55% p.a. (annualised return calculated on XIRR basis), maximum 8.60% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.	January 31, 2018	2.5	December 14, 2020
Tranche BK-Option I	1171 days	9.3387% p.a.	February 7, 2018	100.0	April 23, 2021
Tranche BK-Option II	1178 days	Zero Coupon	February 7, 2018	49.8	April 30, 2021
Tranche BK-Option III (Market Linked Debentures)	1041 days	Minimum – 8.55% p.a. (annualised return calculated on XIRR basis) on face value, maximum 8.60% p.a. (annualised return calculated on XIRR basis) on face value. However, in extreme situation no coupon amount will be paid.	February 7, 2018	4.9	December 14, 2020
Tranche BL-	1164 days	9.3387% p.a.	February 14, 2018	99.8	April 23, 2021

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Date of Allotment	Amounts outstanding as on December 31, 2018 (₹ in crore)	lemption Date/Schedule
Option I					
Tranche BL- Option II	1171 days	Zero Coupon	February 14, 2018	49.7	April 30, 2021
Tranche BL- Option III (Market Linked Debentures)	670 days	Minimum – 8.95% p.a. (annualised return calculated on XIRR basis) on face value, Maximum – 9.00% p.a. (annualised return calculated on XIRR basis) on face value. However, in extreme situation no coupon amount will be paid.	February 14, 2018	25.0	December 16, 2019
Tranche BM - Option I	1162 days	Zero Coupon	February 23, 2018	8.4	April 30, 2021
Tranche BM - Option II	1155 days	9.3387% p.a.	February 23, 2018	10.0	April 23, 2021
Tranche BN	1143 days	Zero Coupon	March 14, 2018	9.0	April 30, 2021
Tranche BO - Option I	1111 days	Zero Coupon	March 22, 2018	5.0	April 6, 2021
Tranche BO - Option II (Market Linked Debentures)	543 days	Minimum – 8.85% p.a. (annualised return calculated on XIRR basis) on face value, Maximum – 8.90% p.a. (annualised return calculated on XIRR basis) on face value. However, in extreme situation no coupon amount will be paid.	March 22, 2018	15.0	September 16, 2019
Tranche BP - Option I	1105 days	Zero Coupon	March 28, 2018	25.0	April 6, 2021
Tranche BP - Option II	1129 days	Zero Coupon	March 28, 2018	7.0	April 30, 2021
Tranche BP - Option III (Market Linked Debentures)	537 days	Minimum – 8.85% p.a. (annualised return calculated on XIRR basis) on face value, Maximum – 8.90% p.a. (annualised return	March 28, 2018	14.0	September 16, 2019

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Date of Allotment	Amounts outstanding as on December 31, 2018 (₹ in crore)	lemption Date/Schedule
		calculated on XIRR basis) on face value. However, in extreme situation no coupon amount will be paid.			
Shelf XI – Tranche BQ	3 year door to door maturity – repayment in 3 equal annual installments.	9.25% Annualised Yield (IDFC Bank 6 month MCLR plus 0.55% i.e., 8.70% plus 55 bps)	June 28, 2018	120.0	June 28, 2021
Tranche BR - 2018 (XII)	550 days	9.4241% p.a. (9.50% p.a. (XIRR basis))	August 24, 2018	50.0	February 25, 2020
Tranche BS - 2018 (XIII)	543 days	9.4241% p.a.	August 31, 2018	25.0	February 25, 2020
Tranche BT - 2018 (XIV) – Option I	1392 days	Floating rate at 220 bps over average of last three auction cutoff yields of 364 Days Treasury Bill (rounded off to two decimal) subject to no rating change , whereby spread over T-Bill will remain fixed for the whole tenor and 364 Days Treasury Bill yield will get reset every year. The applicable coupon for first year will be 9.52%.	September 07, 2018	150.0	June 30, 2022
Tranche BT - 2018 (XIV) – Option II (Market Linked Debentures)	540 days	Minimum – 0.00% p.a. (annualised return calculated on XIRR basis) on face value, Maximum – 9.20% p.a. (annualised return calculated on XIRR basis) on face value. However, in extreme situation no coupon amount will be paid.	September 06, 2018	15.0	February 28, 2020

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Date of Allotment	Amounts outstanding as on December 31, 2018 (₹ in crore)	lemption Date/Schedule
Tranche BU - 2018 (XV) – Option I	1062 days	Zero Coupon	September 14, 2018	16.5	August 11, 2021
Tranche BU - 2018 (XV) – Option II	1095 days	Zero Coupon	September 14, 2018	30.0	September 13, 2021
Tranche BU - 2018 (XV) – Option III	1298 days	Zero Coupon	September 14, 2018	65.0	April 4, 2022
Tranche BV - 2018 (XVI)	1463 days	Zero Coupon	September 27, 2018	45.0	September 29, 2022
Tranche BW - 2018 (XVII) (Market Linked Debentures)	511 days	Minimum – 0.00% p.a., Maximum – 9.20% p.a. (annualised return calculated on XIRR basis) on face value. However, in extreme situation no coupon amount will be paid.	October 5, 2018	10.0	February 28, 2020
Tranche BX - 2018 (XVIII)	1068 days	Zero Coupon	October 11, 2018	10.0	September 13, 2021
			Total	**2,140.0**	

**Above debentures are rated "AA/Stable" by ICRA Limited and are fully secured by assets, moveable and immoveable.*
Borrowing through non convertible debentures shown at face value without considering premium / unamortized discount on issue of Rs. 1.7 Crore.
Total borrowing is excluding effective interest rate impact amounting to Rs. 8.8 Crore.

4. ***Other Secured Borrowings***

(a) *Finance lease obtained by the Company*

Nature	Name of Lessor	Amount outstanding as of December 31, 2018 (in Rs.)
Finance Lease	ORIX Leasing & Financial Services India Limited	46,137.0

(b) *Overdraft against fixed deposits maintained by the Company*

Our Company has availed overdraft facility by creating an encumbrance over the fixed deposits maintained by the Company with ICICI Bank Limited, where the aggregate amount sanctioned to the Company is ₹ 22.5 crores. As on December 31, 2018, there are no outstanding amounts in relation to such facility.

B. **Details of Unsecured Borrowings**

Our Company's unsecured borrowings as on December 31, 2018 amount to ₹ 2,821.7 crore. The details of the individual borrowings are set out below.

Unsecured Non-Convertible Debentures

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Date of Allotment	Amounts outstanding as on December 31, 2018 (₹ in crore)	Redemption Date/Schedule
Tranche III	394 days	8.75%	March 07, 2018	177.0	April 05, 2019
Tranche IV	395 days	8.75%	March 16, 2018	140.0	April 15, 2019
Tranche V - 2018	366 days	9.55%	September 18, 2018	55.0	September 19, 2019
		Total		372.0	

C. ***Loan from Directors and Relatives of Directors***

Our Company has not borrowed any amount from the Directors and relatives of the Directors as on December 31, 2018.

D. ***Commercial Papers***

Our Company has issued commercial papers of the face value of ₹ 5 crore aggregating to a total face value of ₹ 2424.7 crore as on December 31, 2018. The details of the commercial papers are set forth below.*

S.No	ISIN	Number of instruments	Amount (₹ in crore)	ISIN Maturity Date
1	INE523H14H74	1,000	50.0	08-Feb-19
2	INE523H14H82	880	44.0	14-Feb-19
3	INE523H14H90	1,500	75.0	20-Feb-19
4	INE523H14I81	3,080	154.0	15-Mar-19
5	INE523H14K04	100	5.0	11-Jun-19
6	INE523H14K61	1,500	75.0	15-Jan-19
7	INE523H14L29	334	16.7	26-Jul-19
8	INE523H14L37	100	5.0	28-Jun-19
9	INE523H14L60	2,000	100.0	27-Feb-19
10	INE523H14M02	1,500	75.0	23-Aug-19
11	INE523H14M36	1,000	50.0	28-Feb-19
12	INE523H14N76	2,000	100.0	12-Sep-19
13	INE523H14O00	1,000	50.0	29-Jul-19
14	INE523H14O18	600	30.0	16-Oct-19
15	INE523H14O26	6,500	325.0	31-Jan-19
16	INE523H14O34	4,500	225.0	30-Jan-19
17	INE523H14O42	6,000	300.0	01-Feb-19
18	INE523H14O59	500	25.0	04-Feb-19
19	INE523H14O67	2,000	100.0	25-Feb-19
20	INE523H14O75	2,000	100.0	01-Mar-19
21	INE523H14O83	1,000	50.0	05-Mar-19
22	INE523H14O91	4,000	200.0	18-Mar-19
23	INE523H14P09	1,000	50.0	26-Mar-19
24	INE523H14P17	4,400	220.0	23-Dec-19
	Total		**2424.7**	

**Borrowing through commerical papers shown at face value without considering discount of Rs. 58.2 Crore.*

E. **Details of any inter-corporate loans, deposits and other borrowings**

Our Company's inter-corporate loans, deposits and other borrowings as on December 31, 2018 amount to ₹ 25 crore. The details of the individual borrowings are set out below:

S. No	Name of Lender	Date of drawdown	Amount sanctioned	Total amount outstanding as on December 31, 2018 (in ₹ crores)	Date of maturity
1.	Reliance Industrial Investments and Holdings Limited	17-Apr-18	25.0	25.0	17-Apr-19
	TOTAL		**25.0**	**25.0**	

F. **Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or securities**

In the past 5 years preceding the date of this Draft Shelf Prospectus, there has been no delay and /or default in servicing of debt/interest or in payment of principal or interest on any financing facilities or term loan or debt security including corporate guarantee issued by the Company in the past.

G. **The amount of corporate guarantee issued by the Issuer along with the name of the Counter party on behalf of whom it has been issued**

Our Company has not issued any corporate guarantee.

H. **Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on December 31, 2018**

Our Company has Nil outstanding borrowings taken / debt securities issued where taken / issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on December 31, 2018.

I. **Details of rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds, preference shares or convertible debentures as on December 31, 2018**

The Company does not have any other borrowings including hybrid debt instruments, such as foreign currency convertible bonds, preference shares or convertible debentures, as on December 31, 2018.

J. **Restrictive Covenants under our Financing Arrangements:**

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

1. to provide the lender, information about any material and adverse change in liquidity, financial position, etc.;

2. to create security or encumbrance on the assets charged to the lender, in favour of any other bank, financial institution, company, firm, individual expect as permitted and except in the ordinary course of business;

3. to enter into any arrangement regarding any amalgamation, demerger, merger or corporate reconstruction;

4. to create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons, except in the ordinary course of business, till the lender's stipulated asset cover is maintained;

5. to enter into any contractual obligation of a long-term nature or affecting the lender financially to a significant extent except in the ordinary course of business;

Further, under certain financial arrangements entered into by the Company, the Company is not permitted to do or allow anything that may prejudice the security while the borrower remains indebted or liable to the lender in any manner. Further, under certain arrangements, the Company is not permitted to resort to outside borrowings without the prior written consent in case there is an event of default or if the external rating of the Company slips below AA, whichever triggers first.

The Company is also not permitted to do or allow anything that may prejudice the security under certain financial arrangements, while the borrower remains indebted or liable to such lender in any manner. Further, the Company is not permitted to resort to outside borrowings without the prior written consent in case there is an event of default or if the external rating of the Company slips below AA, whichever triggers first.

MATERIAL DEVELOPMENTS

Since March 31, 2018, the following material developments have taken place in the Company.

1. Approval of financial statements of JMFPL for FY 2017-18 by the Board of directors on April 30, 2018;

2. Approval of the unaudited financial results for the first quarter ended June 30, 2018 by the Board of directors on July 17, 2018;

3. Appointment of Mr. Subodh Shinkar as an Additional Director (Non-executive Director) w.e.f. July 17, 2018;

4. Approval of the unaudited financial results for the second quarter and half year ended September 30, 2018 by the Board of Directors on October 24, 2018;

5. Resignation of Mr. Milind Gandhi as as the Chief Financial Officer of the Company w.e.f. January 18, 2019;

6. Appointment of Mr. Nishit Shah as the Chief Financial Officer of the Company w.e.f. January 18, 2019;

7. Declaration of interim dividend by the Board of Directors on January 18, 2019 for the FY 2018-19 at the rate of ₹ 0.7 per share; and

8. Approval of the unaudited financial results for the third quarter and nine months ended December 31, 2018 by the Board of Directors on January 18, 2019.

SECTION V: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on October 24, 2018, the Board of Directors approved the issuance to the public of Secured NCDs of face value of ₹ 1,000 each and Unsecured NCDs of face value of ₹ 1,000 each, aggregating up to ₹ 2,000 crores ("**Shelf Limit**") to the public, hereinafter called the "**Issue**". The Unsecured NCDs shall be in the nature of Subordinated Debt and shall be eligible for inclusion as Tier II Capital.

The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any tranche issue (each a "**Tranche Issue**"), and such Tranche Issue shall be decided by NCD Public Issue Committee of Board of Directors.

Further, the present borrowing is within the borrowing limits of ₹ 14,000 crores under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' vide their resolution dated October 25, 2018.

Further, the NCD Public Issue Committee of the Board of Directors has approved the Issue and this Draft Shelf Prospectus by way of resolution dated February 01, 2019.

Principal terms and conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, the relevant provisions of the Companies Act, 2013, as on the date of this Draft Shelf Prospectus, our Memorandum and Articles of Association, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/ the GoI/ Stock Exchanges/ RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of the Secured NCDs

The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, present and future, and shall be secured by way of first ranking pari passu charge on the Company's receivables both present and/or future, excluding therefrom such portion of the receivables secured or to be secured for the purposes of maintaining 'security cover' (by whatever name called) in connection with all other indebtedness of the Company, whether by way of loan or debentures or otherwise, under the terms of such other indebtedness which are / will not be offered to other lenders for their credit facilities; and/or first ranking pari passu charge on the Company identified immovable property. Security for the purpose of this Issue will be created in accordance with the terms of the Debenture Trust Deed to ensure 100% security cover of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time.

The Company is required to obtain permissions / consents from the prior creditors for proceeding with this Issue and the Company has obtained such permissions / consents as on the date of this Draft Shelf Prospectus.

Ranking of the Unsecured NCDs

The Unsecured NCDs would constitute unsecured and subordinated obligations of the Company and shall rank *pari passu inter se*, and subject to any obligations under applicable statutory and/or regulatory requirements. The Unsecured NCDs proposed to be issued under the Issue and all earlier issues of unsecured debentures outstanding in the books of the Company, if any, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The claims of the Unsecured NCD Holders shall be subordinated to those of the other creditors of the Company, subject to applicable statutory and/or regulatory requirements. Our Company shall, subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, treat the Unsecured NCDs as Tier II capital.

Debenture Redemption Reserve

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of the company available for payment of dividend, (b) the DRR shall be equivalent to 25% of the value of the outstanding debentures issued pursuant to the public issue in accordance with the SEBI Debt Regulations in case of NBFCs registered with the RBI and no DRR is required in the case of privately placed debentures. Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. Every company required to create or maintain DRR shall on or before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilised for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year.

Face Value

The face value of each of the Secured NCDs shall be ₹ 1,000.

The face value of each of the Unsecured NCDs shall be ₹ 1,000.

NCD Holder not a shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent as may be prescribed under the Companies Act, 2013, the SEBI LODR Regulations and any other applicable law.

Rights of the Secured NCD Holders

Some of the significant rights available to the Secured NCD Holders are as follows:

1. The Secured NCDs shall not, except as provided in the Companies Act, 2013, confer upon the Secured NCD Holders thereof any rights or privileges available to our members including the right to receive notices, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the Secured NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered Secured NCD Holders for their consideration. In terms of Section 136 of the Companies Act, 2013 the Secured NCD Holders shall be entitled to inspect a copy of the balance sheet and copy of trust deed at the registered office of the Company during business hours.

2. Subject to applicable statutory/ regulatory requirements, including requirements of the RBI, the rights, privileges and conditions attached to the Secured NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Secured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Secured NCD Holders provided that, nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Secured NCDs, if the same are not acceptable to us.

3. In case of Secured NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depository; and (ii) physical form, the registered Secured NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such Secured NCDs, either in person or by proxy, at any meeting of the concerned Secured NCD Holders and every such Secured NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Secured NCD Holders shall be in proportion to the

outstanding nominal value of Secured NCDs held by him/her.

4. The Secured NCDs are subject to the provisions of the SEBI Debt Regulations, the applicable provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the Secured NCDs.

5. For Secured NCDs in physical form, a register of debenture holders will be maintained in accordance with section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For Secured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any Secured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of the Issuer under Section 94 of the Companies Act, 2013 unless the same has been moved in accordance with Applicable Law.

6. Subject to compliance with RBI requirements, Secured NCDs can be rolled over only with the consent of the Secured NCD Holders of at least 75.00% of the outstanding amount of the Secured NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the Secured NCD Holders are merely indicative. The final rights of the Secured NCD Holders will be as per the terms of the Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus and the Debenture Trust Deed.

Rights of Unsecured NCD Holders

Some of the significant rights available to the Unsecured NCD Holders are, as follows:

1. The Unsecured NCDs shall not, except as provided in the Companies Act, 2013, confer upon the Unsecured NCD Holders thereof any rights or privileges available to our members including the right to receive notices, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the Unsecured NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered Unsecured NCD Holders for their consideration. In terms of Section 136 of the Companies Act, 2013 the Unsecured NCD Holders shall be entitled to inspect a copy of the balance sheet and copy of trust deed at the registered office of the Company during business hours.

2. Subject to applicable statutory / regulatory requirements, including requirements of the RBI, the rights, privileges and conditions attached to the Unsecured NCDs may be varied, modified and/or abrogated with the consent of NCD Holders representing at least three-fourths of the outstanding amount of the Unsecured NCDs, obtained either in writing or by way of a special resolution passed at a meeting of the NCD Holders in accordance with the Debenture Trust Deed provided that, nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Unsecured NCDs, if the same are not acceptable to us.

3. In case of Unsecured NCDs held in (a) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depository; and (b) physical form on account of re-materialization, as entitled under Section 8(1) of the Depositories Act, 1996, the registered Unsecured NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such Unsecured NCDs, either in person or by proxy, at any meeting of the concerned Unsecured NCD Holders and every such Unsecured NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Unsecured NCD Holders shall be in proportion to the outstanding nominal value of Unsecured NCDs held by him/her.

4. The Unsecured NCDs are subject to the provisions of the SEBI Debt Regulations, the Companies Act, 2013,

our Memorandum and Articles of Association, the terms of the Shelf Prospectus, the relevant Tranche Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the Unsecured NCDs.

5. For Unsecured NCDs in physical form on account of re-materialization, a register of debenture holders will be maintained in accordance with Section 88 and Section 94 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Unsecured NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For Unsecured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Unsecured NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any Unsecured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of the Company under Section 94 of the Companies Act, 2013, unless the same has been moved in accordance with Applicable Law.

6. Subject to the compliance with RBI requirements Unsecured NCDs can be rolled over only, with the consent of at least 75% of the outstanding amount of the Unsecured NCD Holders, after providing at least 21 days prior notice for such roll over, in accordance with the SEBI Debt Regulations, as amended from time to time. Our Company shall redeem the Unsecured NCDs of all the Unsecured NCD Holders, who have either not participated in the voting by postal ballot or have not given their positive consent to the roll-over.

The aforementioned rights of the Unsecured NCD Holders are merely indicative. The final rights of the Unsecured NCD Holders will be as per the terms of the Shelf Prospectus, the relevant Tranche Prospectus and the Debenture Trust Deed.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue, prior to the Issue Closing Date the entire Applciation Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Account(s), such Application Amounts shall be refunded within 6 Working Days from the Refund Account to the relevant ASBA Accounts(s) of the Applicants. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Market Lot and Trading Lot

The NCDs shall be allotted only in dematerialized form. As per the SEBI Debt Regulations, the trading of the NCDs shall be in dematerialised form only. Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in the Issue will be in electronic form and in multiples of [one NCD]. For details of Allotment see the section titled "*Issue Procedure*" at page 165 of this Draft Shelf Prospectus.

Nomination facility to NCD Holders

In accordance with section 72 of the Companies Act, 2013, the sole NCD Holder or first NCD Holder, along with other joint NCD Holders (being individual(s) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCDs. A person, being a nominee, becoming entitled to the NCDs by reason of the death of the NCD Holder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the NCDs, in the event of the NCD Holder's death death, during the minority of the nominee. A nomination shall stand rescinded upon sale of the NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCDs are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such NCD Holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office, at such other addresses as may be notified by us, or at the office of the Registrar to the Issue or the transfer agent.

NCD Holders are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCDs to the nominee in the event of demise of the NCD Holders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, in the event of death of the NCD Holder(s), or where the NCDs are held by more than one person jointly, in the event of death of all the joint NCD Holder(s), the nominee may upon the production of such evidence as may be required by the Board, elect, either:

(a) To register himself or herself as the holder of the NCDs; or
(b) To make such transfer of the NCDs, as the deceased holder could have done.

NCD Holders who are holding NCDs in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the NCD Holder will prevail. If the NCD Holders require to changing their nominations, they are requested to inform their respective Depository Participant.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

Succession

Where NCDs are held in joint names and one of the joint NCD Holder dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. Our Directors, the Board, any committee of the Board or any other person authorised by the Board in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased NCD holder. He shall approach the respective Depository Participant of the NCD Holder for this purpose and submit necessary documents as required by the Depository Participant. Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.

2. Proof that the non-resident Indian is an Indian national or is of Indian origin.

3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in the Issue

NCDs being issued through this Draft Shelf Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

Period of subscription

ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

The subscription list shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. (Indian Standard Time), during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure.

Applications Forms for each Tranche Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchange on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Designated Intermediaries are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment will be as per the relevant Tranche Prospectus. In this regard as per the SEBI circular dated October 29, 2013, the allotment in the Issue should be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

Procedure for re-materialisation of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of the NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the Depository Participant. No proposal for re-materialisation

of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such re-materialisation.

Day Count Convention

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI circular regarding Issues Pertaining to Primary Issuance of Debt Securities bearing no. CIR/IMD/DF/18/2013 dated October 29, 2013 and regarding clarification on aspects related to day count convention for debt securities issued under the SEBI Debt Regulations bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated interest payment date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last interest payment date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI circular regarding Issues Pertaining to Primary Issuance of Debt Securities bearing no. CIR/IMD/DF/18/2013 dated October 29, 2013 and regarding clarification on aspects related to day count convention for debt securities issued under the SEBI Debt Regulations bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016, will be a disclosed in the relevant Tranche Prospectus.

Restriction on transfer of NCDs

There are currently no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any RBI requirements and/or as provided in our Articles of Association. Please see the section titled "*Summary of the Key Provisions of the Articles of Association*" at page 216 of this Draft Shelf Prospectus.

ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in the section "*Terms of the Issue*" on page 147 of this Draft Shelf Prospectus.

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs***

Common Terms of NCDs***

Issuer	JM Financial Products Limited
Lead Managers	A.K. Capital Services Limited, JM Financial Limited**and Trust Investment Advisors Private Limited
Debenture Trustee	IDBI Trusteeship Services Limited.
Issue	Public issue by our Company of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each and/or Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each, for an amount aggregating up to ₹ 2,000 crores ("**Shelf Limit**") pursuant to the Draft Shelf Prospectus. The Unsecured, Rated, Listed, Redeemable Non-convertible Debentures will be in the nature of Subordinated Debt and will be eligible for Tier II Capital.
Registrar to the Issue	Karvy Fintech Private Limited
Type and nature of instrument	Secured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 each and/or unsecured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000.
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Face Value (in ₹ / NCD)	₹ 1,000
Issue Price (in ₹ / NCD)	As specified in the relevant Tranche Prospectus for each Tranche Issue
Minimum application and in multiples of	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Seniority	Senior (to clarify, the claims of the NCD Holders shall be superior to the claims of any other creditors, subject to applicable statutory and/or regulatory requirements). The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, present and future and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of pari passu charge in favour of the Debenture Trustee on present and/or future receivables/assets of our Company, excluding therefrom such portion of the receivables secured or to be secured for the purposes of maintaining 'security cover' (by whatever name called) in connection with all other indebtedness of the Company, whether by way of loan or debentures or otherwise, under the terms of such other indebtedness which are / will not be offered to other lenders for their credit facilities. No security will be created for Unsecured NCDs in the nature of Subordinated Debt. The rated, listed, redeemable Unsecured NCDs are in the nature of Subordinated Debt and will be eligible for Tier II Capital.
Mode of Issue	Public Issue
Listing	BSE BSE shall be the Designated Stock Exchange for the Issue. The NCDs are proposed to be listed within 6 (six) Working Days from the respective Issue Closing Date pertaining to a Tranche Issue.
Mode of Allotment and Trading	NCDs will be issued and traded compulsorily in dematerialised form.
Mode of settlement	Please refer to the section titled "Issue Structure" beginning on page 154 of this Draft Shelf Prospectus.
Market / Trading Lot	1 NCD
Depositories	NSDL and CDSL
Security and asset cover	The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, present and future, and shall be secured by way of first ranking pari passu charge on the Company's receivables, both present and/or future, excluding therefrom such portion of the receivables secured or to be secured for the purposes of maintaining 'security cover' (by whatever name called) in connection with all other indebtedness of the Company, whether by way of loan or debentures or otherwise, under the terms of such other indebtedness which are / will not be offered to other lenders for their credit facilities; and/or first ranking pari passu charge on the Company's identified immovable property. Security for the purpose of this Issue will be created in accordance with the terms of the Debenture Trust Deed to ensure 100% security cover of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time. For further details please refer to the section titled "*Issue Structure*" beginning on page 154 of this Draft Shelf Prospectus. No security will be created for Unsecured NCDs in the nature of Subordinated Debt. The rated, listed, redeemable Unsecured NCDs are in the nature of Subordinated Debt and will be eligible for Tier II Capital.
Who can apply/ Eligible Investors	Please refer to the section titled "*Issue Procedure*" beginning on page 165 of this Draft Shelf Prospectus.
Credit Ratings	

	<table><tr><th>Rating agency</th><th>Instrument</th><th>Rating symbol</th><th>Date of credit rating letter</th><th>Amount rated</th><th>Rating definition</th></tr><tr><td>ICRA</td><td>Non-convertible debentures</td><td>[ICRA]AA</td><td>January 09, 2019</td><td>₹ 2,000 crore</td><td>Stable</td></tr><tr><td>CRISIL</td><td>Non-convertible debentures</td><td>CRISIL AA</td><td>January 03, 2019</td><td>₹ 2,000 crore</td><td>Stable</td></tr></table> Please refer to pages 376 to 398 of this Draft Shelf Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA and CRISIL on page 45 under the chapter "*General Information*".
Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Record Date	The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.
Issue Schedule* **	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Objects of the Issue	Please refer to the section titled "*Objects of the Issue*" on page 60 of this Draft Shelf Prospectus.
Details of the utilisation of Issue proceeds	Please refer to the section titled "*Objects of the Issue*" on page 60 of this Draft Shelf Prospectus.
Coupon rate, coupon payment date and redemption premium/discount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon payment frequency	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count convention	Actual/Actual
Working Days convention/Day count convention / Effect of holidays on payment	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai. Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the Secured NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016. If the interest payment date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such interest payment date were a Working Day. Further, the future interest payment dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. If Redemption Date (also being the last interest payment date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest / redemption payments shall be made only on the subsequent day when the money market is functioning in Mumbai.
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Closing Date	As specified in the relevant Tranche Prospectus for each Tranche Issue. *Each Tranche Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. during the period indicated above, except that the Tranche Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee. In the event of an early closure or extension of any Tranche Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Tranche Issue closure. On the Issue Closing Date pertaining to a Tranche Issue, the Application Forms for the Tranche Issue will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Designated Stock Exchange.
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit,

	payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.
Put/Call Date/Price/notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Call Notification Time / Put Notification Time	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Deemed Date of Allotment	The date on which the Board or the Allotment Committee approves the Allotment of the NCDs for any Tranche Issue or such date as may be determined by the Board of Directors or the Allotment Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the NCD Holders from the Deemed Date of Allotment.
Transaction documents	Issue Agreement dated January 24, 2019 between our Company and the Lead Managers, the Registrar Agreement dated January 24, 2019 with the Registrar to the Issue, the Public Issue Account Agreement to be executed with the Public Issue Account Bank, the Refund Bank, the Lead Managers and the Registrar to the Issue, the Lead Broker Agreement to be executed with the Lead Brokers and Lead Managers, the Debenture Trustee Agreement dated January 24, 2019 executed between our Company and the Debenture Trustee and the Debenture Trust Deed to be executed between our Company and the Debenture Trustee for creating the security over the Secured NCDs issued under the Issue and to protect the interest of NCD Holders under the Issue.
Conditions precedent and subsequent to the Issue	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent and subsequent to disbursement. For further details, please refer to "*Objects of the Issue – Utilisation of Issue Proceeds*" on page 62 of this Draft Shelf Prospectus.
Events of default	Please refer to the section titled "*Issue Structure-Events of default*" on page 164 of this Draft Shelf Prospectus.
Cross Default	Please refer to the section titled "*Issue Structure-Events of default*" on page 164 of this Draft Shelf Prospectus.
Roles and responsibilities of the Debenture Trustee	Please refer to the section titled "*Terms of the Issue-Trustees for the NCD Holders*" on page 163 of this Draft Shelf Prospectus.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

***In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the SEBI ICDR Regulations, JMFL will be involved only in marketing of the Issue.*

****The subscription list shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. (Indian Standard Time), during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

Specific terms of the NCDs

As specified in the relevant Tranche Prospectus.

Interest and Payment of Interest

As specified in the relevant Tranche Prospectus.

Taxation

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

However, in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor, if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven

days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Payment of Interest

As specified in the relevant Tranche Prospectus. Amount of interest payable shall be rounded off to the nearest Rupee. If the interest payment date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such interest payment date were a Working Day. Further, the future interest payment dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.

If Redemption Date (also being the last interest payment date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest payments shall be made only on the subsequent day when the money market is functioning in Mumbai.

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Mode of payment of interest to the NCD Holders

Payment of interest will be made to (i) in case of NCDs in dematerialised form the persons who for the time being appear in the register of beneficial owners of the NCD as per the Depositories as on the Record Date and (ii) in case of NCDs in physical form, the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details see the section titled "*Issue Structure - Manner of Payment of Interest / Refund / Redemption*" beginning at page 158 of this Draft Shelf Prospectus.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Deemed Date of Allotment

The date on which the Allotment Committee of the Board approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or the NCD Public Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.

Application Size

As specified in the relevant Tranche Prospectus.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price per NCD, as specified in the relevant Tranche Prospectus, is blocked in the ASBA Account on application itself. In case of Allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall unblock the excess amount paid on application to the applicant in accordance with the terms of the relevant Tranche Prospectus.

Record Date

The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchange, will be deemed as the Record Date.

Manner of Payment of Interest / Refund / Redemption*

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below*:

For NCDs held in electronic form

The bank details will be obtained from the Depositories for payment of interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and neither the Lead Managers, nor our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same. The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

For NCDs held in physical form on account of rematerialisation

The bank details will be obtained from the Registrar to the Issue for payment of interest / redemption as the case may be.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.50, then the amount shall be rounded off to ₹1,838.*

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. **Direct Credit**

   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker. Interest / redemption Amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

2. **NACH**

   National Automated Clearing House which is a consolidated system of ECS. Payment of interest / refund / redemption would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of interest / refund / redemption through NACH is mandatory for Applicants having a bank account at any

of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the interest / refund / redemption through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. **RTGS**

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. **NEFT**

Payment of interest/ refund/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of interest / refund / redemption amounts, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund / redemption amounts will be made to the applicants through this method.

5. **Registered Post/Speed Post**

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund amounts / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCD, for any delay in receiving credit of interest / redemption so long as our Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of rematerialisation or transfer, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company either through speed post or registered post.

Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Loan against NCDs

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. However, if the RBI subsequently permits the extension of loans by NBFCs against the security of its debentures issued by way of private placement or public issues, the Company may consider granting loans against the security of such NCDs, subject to terms and conditions as may be decided by the Company at the relevant time, in compliance with applicable law.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs, upon such terms and conditions as may be decided by our Company.

Form and Denomination

In case of NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, as specified in the relevant Tranche Prospectus, by a NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each Option.

It is however distinctly to be understood that the NCDs pursuant to this Issue shall be traded only in dematerialised form.

In respect of Consolidated Certificates, we will, only upon receipt of a request from the NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Procedure for Redemption by NCD holders

The procedure for redemption is set out below:

NCDs held in physical form on account of rematerialisation

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. The payment on redemption of the Secured NCDs will be made by way of cheque/pay order/ electronic modes. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see the para "*Payment on Redemption*" given below.

NCDs held in electronic form:

No action is required on the part of NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below*.

NCDs held in physical form on account of rematerialisation

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in

this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

[*] In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.5, then the amount shall be rounded off to ₹ 1,838.

Redemption Date

As specified under the relevant Tranche Prospectus.

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Transfer/Transmission of NCD(s)

For NCDs held in physical form on account of rematerialisation

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus and all other applicable laws including FEMA and the rules and regulations thereunder. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles, the Companies Act/the relevant provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, *mutatis mutandis* (to the extent applicable to debentures) to the NCDs as well. In respect of the NCDs held in physical form, a common form of transfer shall be used for the same. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depositary Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed at prior to

the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

For Secured NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

In case the recipient of the NCDs in physical form wants to hold the NCDs in dematerialized form, he can choose to dematerialize the securities through his DP.

Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depository; and
- NCDs held in physical form, pursuant to rematerialisation, the person for the time being appearing in the register of NCD Holders as NCD holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

No transfer of title of a NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the provisions of the Companies Act, 2013 shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

Common form of transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions,

credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holders required to be given by us or the Debenture Trustee will be sent by speed post or registered post or through email or other electronic media to the registered NCD Holders from time to time.

Issue of Duplicate NCD Certificate(s) issued in physical form

If NCD certificate(s), issued pursuant to the rematerialisation if any, is/ are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Security

The principal amount of the Secured NCDs to be issued in terms of the Draft Shelf Prospectus and Shelf Prospectus together with all interest due on the Secured NCDs in respect thereof shall be secured by way of first ranking pari passu charge on the Company's receivables both present and/or future, excluding therefrom such portion of the receivables secured or to be secured for the purposes of maintaining 'security cover' (by whatever name called) in connection with all other indebtedness of the Company, whether by way of loan or debentures or otherwise, under the terms of such other indebtedness which are / will not be offered to other lenders for their credit facilities; and/or first ranking pari passu charge on the Company identified immovable property. Security for the purpose of this Issue will be created in accordance with the terms of the Debenture Trust Deed to ensure 100% security cover of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time.

The Issuer undertakes that the necessary documents for the creation of the security, including the Debenture Trust Deed would be executed within the time frame prescribed as per applicable law and the same would be uploaded on the website of the Designated Stock exchange, within five working days of execution of the same.

Our Company intends to enter into an agreement with the Debenture Trustee, ('**Debenture Trust Deed'**), the terms of which will govern the appointment of the Debenture Trustee and the issue of the Secured NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Designated Stock Exchange.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Secured NCD Holders the principal amount on the Secured NCDs on the relevant redemption date and also that it will pay the interest due on Secured NCDs on the rate specified in this Draft Shelf Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

Trustees for the NCD holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustees for the NCD Holders. The Debenture Trustee and the Company will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holders. Any payment made by us to the Debenture Trustee on behalf of the NCD Holders shall discharge us pro tanto to the NCD Holders.

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default:

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice inter alia if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

(i) default is committed in payment of the principal amount of the NCDs on the due date(s); and

(ii) default is committed in payment of any interest on the NCDs on the due date(s).

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD holders or deposits held in the account of the NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the NCD holders to the Company, subject to applicable law.

Lien on pledge of NCDs

The Company may, at its discretion note a lien on pledge of NCDs if such pledge of NCD is accepted by any thirty party bank/institution or any other person for any loan provided to the NCD holder against pledge of such NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or consultation with the holder of NCDs or the Debenture Trustee by creating a charge on any assets, provided the stipulated security cover is maintained.

We shall be entitled to make further issue of unsecured debentures and/or raise unsecured term loans or raise further unsecured funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or in consultation with the holder of NCDs or the Debenture Trustee.

ISSUE PROCEDURE

This section applies to all Applicants. Please note that all Applicants are required to ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. An amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.

Applicants should note that they may submit their Applications to the Designated Intermediaries.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Shelf Prospectus.

Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 ("Debt Application Circular") issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI ("Debt ASBA Circular"). The procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by Stock Exchanges and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

THE MEMBERS OF THE SYNDICATE AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GREIVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day(s)" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Who can apply?

The following categories of persons are eligible to apply in the Issue.

Category I

- Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds with a minimum corpus of ₹ 25 crores, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;

- Insurance companies registered with the IRDA;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 500 crores as per the last audited financial statements
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including Public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons

Category III

- High Net-worth Individual Investors ("**HNIs**") - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above INR 1,000,000 across all Options of NCDs in the Issue

Category IV

- Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including INR 1,000,000 across all Options of NCDs in the Issue.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

How to apply?

Availability of Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, Abridged Prospectus and Application Forms

Please note that there is a single Application Form for all Applicants

Copies of the abridged Prospectus containing the salient features of the Draft Shelf Prospectus, the relevant Tranche Prospectus together with Application Forms and copies of this Draft Shelf Prospectus may be obtained from our Registered Office, the Lead Managers, the Registrar, the Lead Brokers and the Designated Branches of the SCSBs. Additionally the Draft Shelf Prospectus, the relevant Tranche Prospectus and the Application Forms

will be available:

(i) for download on the website of BSE at www.bseindia.com, and the website of the Lead Managers at www.akgroup.co.in, www.jmfl.com and www.trustgroup.in.

(ii) at the designated branches of the SCSB and the Designated Intermediaries at the Syndicate ASBA Application Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Managers and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request. A unique application number will be generated for every Application Form downloaded from the website of the Stock Exchange.

Method of Application

An eligible investor desirous of applying in the Issue can make Applications by through the ASBA process.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchange. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

Applicants can submit their Applications by submitting the Application Forms in physical mode to the SCSB with whom the ASBA Account is maintained or through the Designated Intermediaries prior to or on the Issue Closing Date. **Applications through the Designated Intermediaries are permitted only at the Syndicate ASBA Application Locations** (**Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat**). Kindly note that Application Forms submitted by Applicants to the Designated Intermediaries at the Syndicate ASBA Application Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designtaed Intermediaries to deposit the Application Form (A list of such branches is available at http://www.sebi.gov.in). The Designated Intermediaries shall accept Applications only at the Syndicate ASBA Application Locations and should ensure that they verify the details about the ASBA Account and relevant SCSB prior to accepting the Application Form.

Designated Intermediaries shall, upon receipt of physical Application Forms, upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained in accordance with the Debt Application Circular.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to the Designated Intermediaries at the Syndicate ASBA Application Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs and Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the Stock Exchange.

Designated Intermediaries are also required to ensure that the Applicants are competent to contract under the Indian Contract Act, 1872 including minors applying through guardians, at the time of acceptance of the Application Forms.

Application Size

Each Application should be for a minimum of • NCDs and in multiples of [one NCD] thereafter for all options of NCDs, as specified in the relevant Tranche Prospectus.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to a recent SEBI circular SEBI/HO/IMD/DF2/CIR/P/2017/14 dated February 22, 2017 ("**SEBI Circular 2017**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 15% of net assets value of scheme shall be allowed only by way of increase exposure to HFCs. Further, the group level limits for debt schemes and the ceiling be fixed at 20.0% of net assets value extendable to 25.0% of net assets value after trustee approval.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Banks, Co-operative Banks and RRBs

Scheduled Banks, Co-operative Banks and RRBs can apply in a relevant Tranche Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) a board resolution authorising investments; and (ii) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

Application by non-banking financial companies

Non-banking financial companies can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (ii) specimen signatures of authorised signatories. Failing this, the Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Application by Insurance Companies

In case of Applications made by an insurance company, a certified copy of its certificate of registration issued by Insurance Regulatory Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) its memorandum and articles of association; (ii) a power of

attorney (iii) a resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorized signatories. Failing this, the Company reserves the right to accept or reject any Application for Allotment in whole or in part, in either case, without assigning any reason therefor.

Applications by Alternative Investments Funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

In case of Applications made pursuant to a power of attorney by Applicants from Category II and Category III, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. **Failing this, our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.**

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (iii) a board resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) specimen signature of authorized person; (vi) a certified copy of the registered instrument for creation of such fund/trust; and (vii) any tax exemption certificate issued by Income Tax authorities. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Funds set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India

Application made by a National Invest Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

Applications cannot be made by:

(a) Minors without a guardian name (A guardian may apply on behalf of a minor. However, the name of the guardian will need to be mentioned on the Application Form);
(b) Foreign nationals;
(c) Persons resident outside India;
(d) Foreign Institutional Investors;
(e) Non Resident Indians;
(f) Qualified Foreign Investors;
(g) Overseas Corporate Bodies;
(h) Foreign Venture Capital Funds;

(i) Persons ineligible to contract under applicable statutory/ regulatory requirements.
**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

The Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Designated Intermediaries.

Payment instructions

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of intimation from the Registrar to this Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted through the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediary or the relevant Designated Branch, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Filing of the Shelf Prospectus and Tranche Prospectus with ROC

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the ROC in accordance with section 26 and section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the relevant Issue Opening Date of each relevant Tranche Issue. This advertisement will contain the information as prescribed under the SEBI Debt Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus with the ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

(a) Applications must be made in the prescribed Application Form.

(b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries, will not be liable for errors in data entry due to incomplete or illegible Application Forms.

(c) Applications are required to be for a minimum of such NCDs and in multiples of such NCDs thereafter as specified in this Draft Shelf Prospectus.

(d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.

(f) Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by SCSBs or Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

(h) If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

(i) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

(j) Applications for all the Options of the NCDs may be made in a single Application Form only.

Applicants should note that neither the Lead Managers, Designated Intermediaries, nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the default option of the NCDs, as specified in the relevant Tranche Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID and PAN provided by them in the Application Form, the Registrar will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds to Applicants or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Designated Intermediaries, nor the Registrar, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Designated Intermediaries or the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, and the Designated Intermediaries shall not be liable for losses, if any.

The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar except in relation to the Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar that the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Electronic registration of Applications

(a) The Designated Intermediaries will register the Applications using the on-line facilities of Stock Exchange. The Lead Managers, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs and Designated Intermediaries, (ii) the Applications uploaded by the SCSBs and the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the SCSBs or the Designated Intermediaries, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) with respect to Applications accepted and uploaded by Designated Intermediaries at the Syndicate ASBA Application Locations for which the Application Amounts are not blocked by the SCSBs.

(b) The Stock Exchange will offer an electronic facility for registering Applications for the Tranche II Issue. This facility will be available on the terminals of the Designated Intermediaries and the SCSBs during the Issue Period. On the Tranche II Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

(c) At the time of registering each Application, SCSBs and Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of Secured NCDs applied, Application Amounts, and any other details that may be prescribed by the online uploading platform of the Stock Exchange.

(d) A system generated TRS will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the TRS from the SCSBs or Designated Intermediaries, as the case may be. The registration of the Applications by the SCSBs or Designated Intermediaries does not guarantee that the Secured NCDs shall be allocated/ Allotted by our Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(e) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus or the relevant Tranche Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(f) In case of apparent data entry error by the Designated Intermediaries in entering the Application Form number in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(g) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Designated Intermediaries and the Designated Braches of the SCSBs will be given up to one Working Day after each Issue Closing Date pertaining to a Tranche Issue to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

(h) The aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the Application Form during the Issue Period.

General Instructions

Do's

- **Check if you are eligible to apply as per the terms of the Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and applicable law;**

- **Read all the instructions carefully and complete the Application Form;**

- Ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;

- Applications are required to be in single or joint names (not more than three);

- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;

- Ensure that Applications are submitted to the Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date;

- Information provided by the Applicants in the Application Form will be uploaded on to the online platform of the Stock Exchange by the Designated Intermediaries and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;

- Ensure that the Applicant's names given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;

- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form;

- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

  Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to the circular dated April 3, 2008 issued by SEBI) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable

description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same.

- Ensure that the Demographic Details as provided in the Application Form are updated, true and correct in all respects;
- Ensure that you request for and receive a TRS for all your Applications and an acknowledgement as a proof of having been accepted;
- Ensure that your Application Form is submitted to the Designated Intermediaries and not to the Public Issue Account Banks or Refund Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the NCDs;
- Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that your Application Form bears the stamp of the relevant SCSBor Designated Intermediary to whom the Application is submitted;
- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
- Tick the Option of NCDs in the Application Form that you wish to apply for.
- Before submitting the physical Application Form with the Designated Intermediary at the Syndicate ASBA Application Locations ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;
- Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form; and
- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form.

Don'ts

- Do not apply for lower than the minimum Application size;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;
- Do not fill up the Application Form such that the NCDs applied for exceeds the Issue Size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
- Do not submit an Application in case you are not eligible to acquire the NCDs under applicable law or your relevant constitutional documents or otherwise;

- Do not submit the Application Forms without the Application Amount;
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.
- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts;
- Do not submit the Application Form with a Designated Intermediary at a location other than the Syndicate ASBA Application Locations;
- Do not send your physical Application Form by post. Instead submit the same with a Designated Branch of the SCSB or a Designated Intermediary; and
- Do not submit more than five Application Forms per ASBA Account.

OTHER INSTRUCTIONS

Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other Options of NCDs, as specified in the relevant Tranche Prospectus, subject to a minimum Application size as specified in the relevant Tranche Prospectus for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be multiple Applications.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

(i) Tripartite Agreements dated July 20, 2016 and July 27, 2017, between us, the Registrar and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(iv) It may be noted that NCDs in electronic form can be traded only on stock exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.

(v) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

(vi) The trading of the NCDs shall be in dematerialized form only.

Allottees will have the option to rematerialise the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, see the sections titled "*Issue Procedure – Methods of Application*" and "*Issue Procedure – General Instructions*" at pages 167 and 174 of this Draft Shelf Prospectus respectively.

Communications

All future communications in connection with Applications made in the Issue should be addressed to the Registrar quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Compliance Officer as well as the contact persons of our Company/ Lead Managers or the Registrar in case of any Pre-Issue related problems. In case of Post-Issue related problems such as credit of NCDs in depository's beneficiary account, refunds etc., Applicants may contact our Compliance Officer as well as the contact persons of our Company/Lead Managers or Registrar. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any Post-Issue related problems, such as credit of NCDs in depository's beneficiary account, refunds, etc.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Rejection of Applications

The Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Number of NCDs applied for being less than the minimum Application size;
- Applications not being signed by the sole/joint Applicants;
- Applications submitted without payment of the Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Application Amount paid being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- Investor Category in the Application Form not being ticked;
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form
- Applications where a registered address in India is not provided for the Applicant;
- Bank account details not provided in the Application Form;
- Submission of more than 5 (Five) Application Forms per ASBA Account;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- DP ID and Client ID not mentioned in the Application Form;
- For Applications where an authorization to the SCSB for blocking funds in the ASBA Account has not been provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However a Limited Liability Partnership firm can apply in its own name;
- Applications submitted to the Designated Intermediaries at locations other than the Designated CDP Locations, the Designated RTA Locations, the Syndicate ASBA Application Locations or at a Designated

Branch of a SCSB where the ASBA Account is not maintained;

- Applications made without mentioning the PAN of the Applicant, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;
- GIR number mentioned in the Application Form instead of PAN;
- Application by OCBs
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India;
- All Applications where the DP ID, Client ID and PAN mentioned in the Application Form do not match with the Depository Participant ID, Client ID and PAN available in the records with the depositories;
- Applications by persons who are not eligible to acquire the NCDs in terms of applicable laws, rules, regulations, guidelines and approvals;
- Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;
- Applications for an amount below the minimum Application size;
- Applications not having details of the ASBA Account to be blocked;
- Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- Applications by Applicants seeking Allotment in dematerialised form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Applications not uploaded on the terminals of the Stock Exchange;
- Applications for the allotment of NCDs in dematerialized form providing an inoperative demat account number;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- The ASBA Account not having credit balance to meet the Application Amounts or no confirmation is received from the SCSB for blocking of funds;
- Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Lead Managers, or Designated Intermediaries, as the case may be;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus and the relevant Tranche Prospectus and as per the instructions in the Application Form, the Shelf Prospectus and the relevant Tranche Prospectus;
- Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- Applications tendered to the Designated Intermediaries at centers other than the centers mentioned in the Application Form; and
- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

For further instructions regarding Application for the NCDs, Applicants are requested to read the Application Form.

Mode of making refunds

The mode of refund payments may be undertaken in the following modes:

i. **Direct Credit**

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

ii. **NACH**

National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

iii. RTGS

Applicants having a bank account with a participating bank and whose interest payment / redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment / redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment / redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

iv. **NEFT**

Payment of interest / redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest / redemption will be made to the applicants through this method.

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 5 (five) Working Days of the Issue Closing Date.

Our Company and the Registrar shall credit the allotted NCDs to the respective beneficiary accounts, within 5 (five) Working Days from the Issue Closing Date.

Further,

(a) Allotment of NCDs in the Issue shall be made within a time period of 4 (four) Working Days from the Issue Closing Date;

(b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;

(c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund has not been effected within 5 (five) Working Days from the Issue Closing Date, for the delay beyond 5 (five) Working Days; and

(d) Our Company will provide adequate funds to the Registrar for this purpose.

Retention of oversubscription

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together, **("Institutional Portion")**;

B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, **("Non-Institutional Portion")**.

C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, **("Individual Category Portion")**.

D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, **("Retail Individual Category Portion")**.

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**Individual Category Portion**" and "**Retail Individual Category Portion**" are individually referred to as "**Portion"** and collectively referred to as **"Portions"**.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue, in case our Company opts to retain any oversubscription in a Tranche Issue upto an amount specified under the relevant Tranche Prospectus. The aggregate value of NCDs decided to be allotted over and above the Base Issue, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed as the **"Overall Issue Size"**.

Basis of Allotment

As specified in the relevant Tranche Prospectus.

Allocation Ratio

As specified in the relevant Tranche Prospectus.

Retention of oversubscription

As specified in the relevant Tranche Prospectus.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closure Date.

Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the relevant Tranche Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the relevant Tranche Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Issue Closing Date.

In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the relevant Tranche Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Lead Managers/ Designated Intermediaries, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. However, in order that the data so captured is accurate, the Lead Managers, the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Utilisation of Application Amounts

The sum received in respect of a Tranche Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of the proceeds of the Issue

(a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account maintained with the Public Issue Account Bank as referred to in sub-section (3) of section 40 of the Act.

(b) The allotment letter shall be issued or application money shall be refunded in accordance with the applicable law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

(c) Details of all monies unutilised out of the monies to be raised through this Issue, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of the Issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.

(d) Details of all monies utilised out of the monies to be raised through this Issue, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized.

(e) We shall utilize the Issue proceeds only (a) receipt of minimum subscription, i.e. 75% of the Base Issue pertaining to each Tranche Issue; (b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (c) creation of security; and (d) obtaining Listing and Trading approval as stated in this Draft Shelf Prospectus in the section titled "*Issue Structure*" beginning on page 154 of this Draft Shelf Prospectus.

(f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.

(g) The Issue proceeds shall not be utilized for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447."

Listing

The NCDs proposed to be offered in pursuance of this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus will be listed on the BSE. The application for listing of the NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Shelf Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days from the date of Allotment.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Undertaking by the Issuer

We undertake that:

a) the complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) shall be attended to by us expeditiously and satisfactorily;

b) we shall take necessary steps for the purpose of getting the NCDs listed within the time specified i.e. 6 (six) Working Days from the Issue Closing Date;

c) the funds required for dispatch of physical NCD certificates in case of a rematerialisation of NCDs by registered post/ speed post shall be made available to the Registrar by our Company;

d) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the NCDs are outstanding;

e) we shall forward the details of utilisation of the funds raised through the NCDs duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;

f) we shall disclose the complete name and address of the Debenture Trustee in our annual report;

g) we shall provide a compliance certificate to the Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of NCDs as contained in this Draft Shelf Prospectus; and

h) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

SECTION VI: LEGAL AND OTHER INFORMATION

PENDING PROCEEDINGS AND STATUTORY DEFAULTS

Except as stated in this section there are no outstanding: **(i)** criminal proceedings; **(ii)** actions by statutory / regulatory authorities; **(iii)** claims for any indirect and direct tax liability; and **(iv)** other litigations which are identified as material in terms of the Materiality Policy (as defined hereinafter below), each involving the Company, its Directors, Promoter and its Group Companies.

The NCD Public Issue Committee of our Company in their meeting held on January 22, 2019, adopted a threshold for determination of materiality for disclosure of litigations under the Draft Shelf Prospectus, the Shelf Prospectus and the Tranche Prospectus(es).

Save and except as disclosed herein below, there are no pending proceedings/litigations pertaining to:

- Matters likely to affect operations and finances of the Company including disputed tax liabilities of any nature;
- Criminal prosecution launched against the Company and its Directors for alleged offences under the enactments specified in Paragraph 1 of Part I of Schedule V to the Companies Act, 2013;
- Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter during the last five years immediately preceding the date of this Draft Shelf Prospectus and /or any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;
- Litigation involving the Company, the Promoter, the Company's Directors, its subsidiaries, its Group Companies or any other person, whose outcome could have material adverse effect on the position of the Company;
- Proceedings initiated against the Company for economic offences;
- Material regulatory proceedings against the Company or the Promoter and tax litigations resulting in material liabilities at the time of the Issue which may affect the Issue or an investor's decision to invest / continue to invest in the NCDs;
- Acts of material frauds committed against the Company in the last five years, if any, and if so, the action taken by the Company;
- Matters pertaining to default and non-payment of statutory dues;
- Any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies' law in the last five years in the case of the Company and its subsidiaries; and
- Fines imposed or compounding of offences in the last five years under the Companies Act, 2013 or any previous companies' law in the last five years in the case of the Company and its subsidiaries.

Further, save and except as disclosed herein there are no matters likely to affect operations and finances of the Company including disputed tax liabilities of any nature and there is no such litigation whose outcome could have material adverse effect on the position of the Company, the Promoter, the Company's Directors, its Group Companies, or any other person.

Further from time to time, the Company has been and continues to be involved in legal proceedings filed by and against us, arising in the ordinary course of our business. These legal proceedings are both in the nature of civil and criminal proceedings. The Company believes that the number of proceedings in which it is / was involved is not unusual for a company of our size doing business in India.

For the purposes of determining material litigation, all outstanding litigation: (a) which is civil in nature and involves the Company, the Promoter, the Company's Directors or its Group Companies where the amount involved, to the extent quantifiable, is ₹ 14,96,00,000 or more; or (b) any other litigation, not being civil in nature, whose outcome could have a material impact on the business, operations, prospects or reputation of the Company; shall be considered as 'material litigation' for the Company, and accordingly have been disclosed in this Draft Shelf Prospectus.

Unless stated to the contrary, the information provided below is as of the date of filing of this Draft Shelf Prospectus.

1. **Litigation involving the Company**

(a) ***Tax Cases***

(i) For the assessment year 2011-2012, the Company received a notice for reassessment under Section 148 of the IT Act on March 27, 2018. The Company objected to the reopening of the assessment which was rejected by the assessing officer. The assessing officer has completed the reassessment after considering the submissions made by the Company and passed an order dated December 28, 2018 under Section 143(3) of the IT Act read with Section 147 of the IT Act, by making an addition of INR 12,68,00,000. The Company has received the reassessment order along with the demand notice of INR 18,40,20,330 on January 03, 2019. The Company has filed a rectification application against this which is intended to reduce the demand amount. Simultaneously, the Company is in the process of preferring an appeal before the CIT (A) - 12, Mumbai which will be filed in the due course of time.

(ii) For the assessment year 2012-2013, the assessing officer made a disallowance of Rs. 9,29,56,537 under Section 14A of the IT Act. An appeal was filed before the CIT (A) on May 05, 2015 against the said assessment order. The CIT (A) has decided the appeal in the Company's favour vide order dated October 17, 2016. The IT Department has filed an appeal in the ITAT against the order of the CIT (A), Mumbai. The next date of hearing in ITAT is scheduled on February 5, 2019.

(iii) For the assessment year 2013-2014, the assessing officer made a disallowance of Rs. 12,14,15,703 under Section 14A of the IT Act, vide order dated March 29, 2016. An appeal was filed before the CIT (A) – 8, Mumbai on April 28, 2016, against the said assessment order. However, the hearings before the CIT (A), Mumbai are yet to commence.

(iv) For the assessment year 2014-2015, the assessing officer made a disallowance of Rs. 9,26,79,364 under Section 14A of the IT Act and of Rs. 1,25,11,372 on account of ESOP expenses, vide order dated December 24, 2016. An appeal was filed before the CIT (A) -12, Mumbai on January 23, 2017 against the said assessment order. However, the hearings before the CIT (A), Mumbai are yet to commence.

(v) For the assessment year 2015-2016, the assessing officer made a disallowance of Rs. 14,71,87,949 under Section 14A of the IT Act and of Rs. 1,27,74,923 on account of ESOP expenses, vide an order dated December 18, 2017. We have filed an Appeal against the aforesaid assessment order before the CIT (A) – 12, Mumbai. However, the hearings before the CIT (A), Mumbai are yet to commence.

(vi) For the assessment year 2016-2017, the assessing officer made a disallowance of Rs.76,87,720 on account of ESOP expenses, vide an order dated December 25, 2018. The Company is in the process of filing an appeal against the aforesaid assessment order before the CIT (A) - 12, Mumbai which will be filed in the due course of time.

(b) ***Litigations by the Company***

The Company has initiated certain criminal litigations under Section 138 of the Negotiable

Instruments Act, 1881 for recovery of INR 3,37,94,438 from certain persons.

2. **Litigation involving the Promoter - JMFL**

(a) For the assessment year 1998-1999, the Additional Commissioner of Income Tax, Special Range 22, Mumbai, passed an order dated March 28, 2001 under Section 143(3) of the IT Act. The order directed the issuance of a notice of demand against JMFL and noted that the speculated loss of INR 1,30,48,062 is allowed to be carried forward and set off against speculation income. The order also directed that penalty proceedings be initiated against JMFL under Section 271(1)(c) for furnishing inaccurate particulars of income and concealment of income. JMFL filed an appeal against the order on April 26, 2001 with the CIT (A) – 14, Mumbai, which was partly allowed. JMFL has further filed an appeal before the Hon'ble Income Tax Appellate Tribunal, Mumbai against a penalty of INR 18,08,459 imposed on it by the CIT (A) – 9, Mumbai under Section 271(1)(c) of the IT Act for the assessment year 1998-1999. JMFL also sought that in the event the penalty amount was not deleted in its entirety, the penalty with respect to disallowance of sub-brokerage of INR 2,74,069 deleted by the tribunal and the penalty with respect to disallowance of sub-brokerage of INR 21,52,226 set aside by the tribunal, be deleted. The next date of hearing before the ITAT is scheduled on February 18, 2019.

(b) For the assessment year 2002-2003, JMFL received an assessment order dated February 28, 2005 under Section 143(3) of the IT Act, whereby the total income of JMFL was computed to be INR 12,75,284. The order directed that JMFL be issued a notice of demand and a penalty notice for INR 6,10,427 was issued. JMFL lodged an appeal with the CIT (A) - 15, Mumbai which was dismissed. JMFL filed a further appeal with the ITAT, whereby the ITAT set aside the order of the CIT (A) - 15, Mumbai and restored the matter back to him for fresh decision after necessary examination. The ITAT also held that no expenditure either in the form of interest or administrative expenditure can be allowed as deduction and these matters were also sent back to the CIT (A), Mumbai for reconsideration. The CIT (A) - 8, Mumbai partly allowed the appeal of JMFL allowing a sum of INR 8,93,245 as against the sum allowed by the assessing officer of INR 47,250. On March 24, 2014, an order was passed by the Deputy Commissioner of Income Tax, 4(3), Mumbai imposing a minimum penalty of INR 35,11,162 under Section 271(1)(c). This penalty was upheld by the CIT (A) - 9, Mumbai on January 20, 2016. JMFL has passed an appeal before the ITAT against the said penalty levy. The next date of hearing before the ITAT is on February 18, 2019.

(c) For the assessment year 2008-2009, JMFL received a notice of demand dated December 06, 2010 under Section 156 of the IT Act stating that a sum of INR 315,74,15,522 was payable by it. JMFL filed an appeal with the CIT (A) – 8, Mumbai. By way of an order dated July 29, 2011 the CIT (A) – 8, Mumbai held that an amount of INR 17,71,36,61,381 was to be treated as profit of business which was taxable. The income of JMFL was also enhanced by INR 12,66,87,500. A sum of INR 1,32,86,120 was also directed to be disallowed and JMFL's income was enhanced by this amount. It was further clarified that a sum of INR 91,47,505 and INR 1,91,44,201 would not be allowed to be deducted as it had already been held that such loss being non-genuine was not allowable as deduction while computing taxable income of the assessee. The order held that JMFL had erroneously claimed excessive loss which amounted to concealment of its income and furnishing of inaccurate particulars of its true income. JMFL subsequently filed an appeal with the ITAT, which partly allowed the appeal for statistical purposes and remanded certain matters to the file of the assessing officer. JMFL filed an appeal before the High Court of Judicature at Mumbai to look into whether the ITAT had erred in holding that a disallowance could be made under Section14A of the IT Act and whether such disallowance should be of INR 4,72,78,394. Separately, the Deputy Commissioner of Income Tax – 4(3), by way of an order dated March 14, 2014 determined the total income for the assessment year in question to be INR 17,75,16,28,371 and ordered that penalty proceedings be initiated under Section 271(1)(c) of the IT Act. In the appeal filed by JMFL against the said order dated March 14, 2014, the CIT (A) - 9, Mumbai vide his order dated April 30, 2015 held that the consideration of INR 17,71,36,61,381 received by JMFL on sale of equity shares of JM Morgan Stanley Securities Private Limited be charged to tax as long-term capital gains and also allowed deduction for the indexed cost of acquisition. The order further allowed the expenditure of INR 22,83,63,049 incurred in connection with the transfer of the such shares. The CIT (A) – 9, Mumbai did not allow the claim for set-off of long-term capital loss and short-term capital loss incurred by JMFL on sale of equity shares of

the Company. A further rectification order dated May 25, 2015 was passed by the CIT (A) – 9, Mumbai partly allowing the appeals. JMFL has filed an appeal before the ITAT against the order of the CIT (A) – 9, Mumbai not allowing the claim for capital losses on sale of equity shares of JMFPL. Simultaneously, the IT Department has filed an appeal in the ITAT against the order of the CIT (A) – 9, Mumbai treating the gain on sale of equity shares of JM Morgan Stanley Securities Private Limited be charged to tax as long-term capital gains. The next date of hearing before the ITAT is scheduled on January 28, 2019.

(d) For the assessment year 2009-2010, the Additional Commissioner of Income Tax, Range 4(3), Mumbai, by way of an order dated December 13, 2011 directed that interest be charged under Section 234B and Section 234C of the IT Act and a demand notice be issued. The order directed that an amount of INR 7,61,37,727 be disallowed under Section 14A of the IT Act read with Rule 8D of the IT Rules and be added to the total income of JMFL. JMFL filed an appeal with the CIT (A) – 8, Mumbai who by way of an order dated April 11, 2012 partly allowed the appeals and directed that if certain parameters had been considered in passing the earlier order, an amount of INR 1,40,000 be reduced from the disallowance of INR 7,61,37,727. JMFL filed a further appeal to the ITAT which by way of an order dated March 26, 2014 allowed the appeal in full. In view of the favourable order received by JMFL from the ITAT, the IT Department filed an appeal with the High Court of Judicature at Mumbai and the same is pending for disposal.

(e) For the assessment year 2010-2011, the Assistant Commissioner of Income Tax, 4(3), Mumbai by way of an order dated March 22, 2013 disallowed an amount of INR 42,48,067 towards lease rentals on vehicles and added this back to the total income of JMFL. Additionally, an amount of INR 7,15,49,747 was also disallowed and added back to the total income under Section 14A of the IT Act read with Rule 8D of the IT Rules. JMFL filed an appeal with the CIT (A) – 9, Mumbai who by way of an order dated January 28, 2016 dismissed the appeal. JMFL filed a further appeal to the ITAT. The next date of hearing before the ITAT is scheduled on February 18, 2019. Separately, for the same assessment year, the Assistant Commissioner of Income Tax, 4(3), Mumbai, by way of an order dated March 31, 2017, levied a penalty of INR 13,12,653 on the disallowance of INR 42,48,067 towards lease rentals on vehicles. JMFL has filed an appeal on May 4, 2017 with the CIT (A) - 9, Mumbai. The hearings before the CIT (A) – 9, Mumbai are yet to commence.

(f) For the assessment year 2011-2012, the Additional Commissioner of Income Tax, 4(3), Mumbai by way of an order dated March 04, 2014 initiated penalty proceedings against JMFL under Section 271(1)(c) of the IT Act and disallowed an amount of INR 16,22,108 towards lease rentals on vehicles. The order also disallowed an amount of INR 7,20,67,959 under Section 14A of the IT Act along with INR 84,00,000 towards advertisement expenditure and did not allow a set of brought forward losses amounting to INR 58,17,675. JMFL filed an appeal with the CIT (A) – 9, Mumbai which was dismissed. Subsequently JMFL filed an appeal with the ITAT. The next date of hearing before the ITAT is scheduled for February 18, 2019. Separately, for the same assessment year, the Assistant Commissioner of Income Tax, 4(3), Mumbai, by way of an order dated March 31, 2017, has levied a penalty of INR 5,01,231 on the disallowance of INR 16,22,108 towards lease rentals of vehicles. JMFL has filed an appeal on May 4, 2017 with the CIT (A) - 9, Mumbai. The hearings before the CIT (A) – 9, Mumbai are yet to commence.

(g) For the assessment year 2012-2013, the Deputy Commissioner of Income Tax, 4(3)(1), Mumbai by way of an order dated March 28, 2015 disallowed an amount of INR 7,07,60,044 under Section 14A of the IT Act read with Rule 8D of the IT Rules. Further, an amount of INR 11,13,542 claimed as lease rentals on vehicles was disallowed and added back to the total income. JMFL has filed an appeal against this order with the CIT (A) – 9, Mumbai. The hearings before the CIT(A)-9 are pending for the want of Remand Report request sent by the CIT(A)-9 to the assessing officer.

(h) For the assessment year 2013-2014, the Deputy Commissioner of Income Tax, 4(3)(1), Mumbai by way of an order dated January 06, 2016 disallowed an amount of INR 7,04,73,783 under Section 14A of the IT Act read with Rule 8D of the IT Rules for assessment year 2013-2014. Further, an amount of INR 10,10,492 claimed as lease rentals on vehicles was disallowed and added back to the total income. JMFL has filed an appeal against this order with the CIT (A) – 9, Mumbai. The hearings before the CIT(A)-9 are pending for the want of Remand Report request

sent by the CIT (A) – 9, Mumbai to the assessing officer.

(i) For the assessment year 2014-2015, the Assistant Commissioner of Income Tax, 4(3)(1), Mumbai by way of an order dated December 23, 2016 disallowed an amount of INR 6,73,82,910 under Section 14A of the IT Act read with Rule 8D of the IT Rules for assessment year 2014-2015. Further, an amount of INR 32,58,422 claimed as lease rentals on vehicles was disallowed and added back to the total income. JMFL has filed an appeal against this order with the CIT (A) - 9, Mumbai. The hearing before the CIT (A) – 9, Mumbai was last scheduled on January 10, 2019 which has been adjourned and the fresh date of hearing is awaited.

(j) For the assessment year 2015-2016, the Assistant Commissioner of Income Tax, 4(3)(1), Mumbai by way of an order dated December 07, 2017 disallowed an amount of INR 6,98,88,476 under Section 14A of the IT Act read with Rule 8D of the IT Rules for assessment year 2015-2016. Further, an amount of INR 28,22,563 claimed as lease rentals on vehicles was disallowed and added back to the total income. JMFL has filed an appeal against this order with the CIT (A) - 9, Mumbai. The hearings before the CIT (A) – 9, Mumbai are yet to commence.

(k) The Deputy Commissioner of Service Tax, Mumbai by way of an order dated May 18, 2017 held that JMFL had availed irregular CENVAT credit and imposed a penalty of INR 16,45,957 under Rule 15(3) of the CENVAT Credit Rules, 2004 read with Section 78 of Chapter V of the Finance Act, 1994. The order also held that JMFL had failed to file the returns correctly as prescribed under Section 70 of Chapter V of the Finance Act, 1994. Further, the order held that the amount of penalty would be reduced by 25% if the reduced penalty along with interest and tax demanded therein was paid within 30 days of the order. JMFL has filed an appeal with the Commissioner of Central Excise (Appeals) on July 21, 2017. The hearings are yet to commence.

3. **Litigations involving the Group Companies**

(a) *JM Financial Asset Reconstruction Company Limited* ("***JMFARCL***")

(i) For assessment year 2014-2015, JMFARCL received a notice of demand dated June 27, 2017 under Section 156 of the IT Act from the Deputy Commissioner of Income Tax, 6(3)(2), Mumbai, India, for a payment of INR 7,00,000, imposed as a penalty under Section 271(1)(c) read with Section 274 of the IT Act. The notice required JMFARCL to pay the amount within 30 (thirty) days of the notice. JMFARCL has filed an appeal with the CIT (A) – 12, Mumbai, against the order imposing the penalty on November 02, 2015 contending that JMFARCL had not intentionally furnished inaccurate particulars of income, which had resulted in the original order imposing a penalty. The matter is still pending with the CIT (A) - 12, Mumbai.

(b) *JM Financial Investment Managers Limited ("**JMFIML**") (now merged with JMFL)*

(i) For the assessment year 2014-2015, the Assistant Commissioner of Income Tax, 6(3)(2), Mumbai by way of an order dated December 29, 2016 disallowed an amount of INR 56,50,950 under Section 14A of the IT Act and initiated penalty proceedings under Section 271(1)(c) of the IT Act. Certain employee stock option expenses totaling INR 34,37,491 were also disallowed. JMFIML has filed an appeal against this order with the CIT (A) - 12, Mumbai. The hearing before the CIT(A) – 12, Mumbai was last scheduled on August 9, 2018 which has been adjourned and the fresh date of hearing is awaited.

(ii) For the assessment year 2015-2016, the Assistant Commissioner of Income Tax, Circle 6(3)(2), Mumbai by way of an order dated November 17, 2017 disallowed an amount of INR 85,68,329 under Section 14A of the IT Act and initiated penalty proceedings under Section 271(1)(c) of the IT Act. Certain employee stock option expenses totaling INR 11,17,155 were also disallowed. JMFIML has filed an appeal against this order with the CIT (A) - 12, Mumbai. The hearings before the CIT (A) -12, Mumbai are yet to commence.

(iii) For the assessment year 2012-2013, the Assistant Commissioner of Income Tax (OSD)

3, Mumbai by way of an order dated March 27, 2015 disallowed an amount of INR 1,05,78,610 under Section 14A of the IT Act and initiated penalty proceedings under Section 271(1)(c) of the IT Act for assessment year 2012-2013. Certain employee stock option expenses totaling INR 12,57,081 was also disallowed. JMFIML has filed an appeal against this order with the CIT (A) - 8, Mumbai. The hearings before the CIT (A) – 8, Mumbai are yet to commence.

(iv) For the assessment year 2016-2017, the Deputy Commissioner of Income Tax, 4(3)(1), Mumbai by way of an order dated December 25, 2018 disallowed an amount of INR 70,13,431 under section 14A of the IT Act and also disallowed INR 12,70,589 on account of ESOP expenses. JMFL, as successor of JMFIML, is in the process of filing an appeal against this order with the CIT (A) - 9, Mumbai which will be filed in the due course of time.

(c) *JM Financial Properties and Holdings Limited ("**JMFPHL**")*

(i) For the assessment year 2013-2014, JMFPHL has filed an appeal on March 29, 2016 with the CIT (A) - 12, Mumbai against the order dated February 25, 2016 of the Deputy of Commissioner of Income Tax 6(3)(2), Mumbai challenging the disallowance of interest of an amount of INR 3,83,55,493. The hearings before the CIT (A) – 12, Mumbai are yet to commence.

(ii) For the assessment year 2014-2015, the Assistant Commissioner of Income Tax, 6(3)(2), Mumbai by way of an order dated December 06, 2016 disallowed an amount of INR 8,90,54,214 and on account of interest expenditure initiated penalty proceedings under Section 271(1)(c) of the IT Act. JMFPHL has filed an appeal with the CIT (A) - 12, Mumbai on January 25, 2017. The hearings before the CIT (A) – 12, Mumbai are yet to commence.

(d) *JM Financial Institutional Securities Limited ("**JMFISL**") (now merged with JMFL)*

(i) For assessment year 2005-2006, the Additional Commissioner of Income Tax, 3(2), Mumbai by way of an order dated December 24, 2008 disallowed an amount of INR 52,42,165 under Section 14A of the IT Act read with Rule 8D of the IT Rules for assessment year 2005-2006. Further, JMFISL's claim for carry forward of losses amounting to INR 27,64,45,632 was also disallowed. JMFISL filed an appeal with the CIT (A) - 3, Mumbai which was partly allowed holding that only a part of the income resulted in non-taxable income. A further appeal was filed with the ITAT questioning the disallowance of INR 20,11,750 while the IT Department questioned the relief granted by the CIT (A) – 3, Mumbai. By way of an order dated September 30, 2010, both appeals were allowed for statistical purposes. The matter is now remanded to the Assessing Officer for making a decision regarding the disallowance u/s.14A and the same is pending for disposal.

(ii) For assessment year 2006-2007, the Deputy Commissioner of Income Tax, 3(2), Mumbai passed a reassessment order dated March 24, 2014, under Section 143(3) of the IT Act read with Section 147 of the IT Act whereby a sum of INR 63,65,638 was added to the income of JMFISL. JMFISL filed an appeal against the order of the Deputy Commissioner of Income-Tax, 3(2), Mumbai with the CIT (A) – 8, Mumbai . The CIT (A) – 8, Mumbai, by way of an order dated February 16, 2016 held that the order passed under Section 143(3) of the IT Act read with Section 147 of the IT Act was found bad in law and annulled. The IT department filed an appeal with the ITAT and the ITAT by way of an order dated July 02, 2018 remanded the matter back to the CIT (A), Mumbai.

(iii) For the assessment year 2007-2008, the Deputy Commissioner of Income Tax 3(2), Mumbai by way of an order dated September 12, 2011, added an amount of INR 9,75,71,680 on account of Transfer Pricing adjustment to the total income of JMFISL. The order also disallowed an amount of INR 9,64,573 under Section 14A of the IT Act. An amount of INR 69,25,376 being unpaid service tax computation was also disallowed and ordered to be added back to the income of the assessee. The ITAT by way

of an order dated September 13, 2013 restored the entire matter to the file of the DRP and directed that they deal with the issue within six months. On this reference, the Office of the Dispute Resolution Panel – III, Mumbai by way of an order dated March 31, 2014 rejected the additional grounds of appeal.

(l) The Deputy Commissioner of Income Tax 3(2), Mumbai by way of an order dated October 08, 2012, for the assessment year 2008-2009 added an amount of INR 5,50,48,601 to the total income of JMFISL. A further disallowance of an amount of INR 1,05,20,834l was made under Section 14A of the IT Act. JMFISL filed an appeal against this order with the ITAT, which by way of an order dated April 27, 2016 partly allowed the appeals and reduced the disallowances to INR 17,93,351.

(iv) For the assessment year 2009-2010, the Deputy Commissioner of Income Tax 3(2), Mumbai by way of an order dated November 29, 2011 disallowed an amount of INR 1,79,85,122 under Section 14A of the IT Act. JMFISL filed an appeal before the CIT (A) – 4, Mumbai on December 28, 2011 which was dismissed. JMFISL filed a further appeal to the ITAT which by way of an order dated October 07, 2015 held that the disallowance made by the assessing officer was not justified and reduced the amount to INR 7,64,949, which was already voluntarily offered by JMFISL. The Deputy Commissioner of Income Tax 3(2)(1) on March 30, 2015, passed an assessment order under Section 143(3) of the IT Act read with Section 147 of the IT Act, reopening assessment for assessment year 2009-2010, holding that the action of the assessee valuation at mark to market cost and debiting losses to the tune of INR 17,17,79,449 was not an allowable item in the profit and loss account thereby disallowing this amount and added this amount back to the total income of JMFISL. The CIT (A) – 8, Mumbai by way of an order dated January 31, 2017 allowed the appeal against this reassessment order. The Commissioner of Income Tax – 3, Mumbai filed an appeal before the Hon'ble High Court of Judicature at Mumbai.

(v) For the assessment year 2010-2011, the Deputy Commissioner of Income Tax, 3(2), Mumbai by way of order dated March 8, 2013 disallowed a sum of INR 1,59,84,533 under Section 14A of the IT Act and accordingly raised a demand of INR 69,94,820 in case of JM Financial Ventures Limited. JM Financial Ventures Limited was merged into JM Financial Institutional Securities Limited on March 31, 2012. JMFISL filed an appeal against the order passed by the Deputy Commissioner of Income Tax, 3(2), Mumbai imposing a penalty of INR 69,94,820 against JMFISL for assessment year 2010-2011. The CIT (A) - 8, Mumbai passed an appellate order dated March 26, 2015 partly allowing the appeals. Cross appeals were filed by both parties to the ITAT. The ITAT by way or order dated August 1, 2017 restored the matter back to the assessing officer. The Deputy Commissioner of Income Tax, 4(3)(1), Mumbai has passed an order dated December 18, 2018 disallowing an amount of INR 74,78,295 under Section 14A of the IT Act. The Company is in the process of making a decision about filing an appeal with the CIT (A) - 9, Mumbai.

(vi) For the assessment year 2011-12, the Deputy Commissioner of Income Tax 4(3)(1) has passed an order dated December 25, 2018 under Section 143(3) of the IT Act read with Section 147 of the IT Act disallowing depreciation claimed by the Company of INR 2,70,967. JMFISL is in the process of filing an appeal against this order before the CIT (A) – 9, Mumbai which will be filed in the due course of time.

(vii) For assessment year 2012-2013, the Assistant Commissioner of Income Tax (OSD)-3, Mumbai by way of an order dated March 27, 2015 disallowed an amount of INR 1,19,74,543 under Section 14A of the IT Act read with Rule 8D of the IT Rules. The order also disallowed certain employee stock option expenditures amounting to INR 3,37,06,607. JMFISL filed an appeal with the CIT (A) – 8, Mumbai which is pending disposal.

(viii) For assessment year 2013-2014, the Deputy Commissioner of Income Tax 3(2)(1), Mumbai by way of an order dated March 18, 2016 disallowed an amount of INR 58,62,087 under Section 14A of the IT Act and also disallowed INR 56,48,000 on

account of marked-to-market loss. The CIT (A) – 8, Mumbai on September 4, 2017 allowed the appeal of JMFISL. The IT Department has filed an appeal in the ITAT against the order of the CIT (A) – 8, Mumbai. The first hearing before the ITAT was scheduled for January 14, 2019 and has now been adjourned to February 19 ,2019.

(m) For assessment year 2014-2015, the Assistant Commissioner of Income Tax, 6(3)(2), Mumbai passed an order dated December 24, 2016 making a net disallowance of INR 51,33,451 under Section 14A of the IT Act. This amount was added back to the total income of JMFISL. The order also disallowed and amount of INR 7,18,66,566 on account of certain employee stock option expenses and mark to market losses of INR 40,000. Certain brought forward losses amounting to INR 4,97,26,888 were also disallowed. As per a rectification order under Section 154 dated April 18, 2017 brought forward losses to the extent of INR 40,45,738 were allowed. JMFISL has filed an appeal with the CIT (A) – 12, Mumbai on January 25, 2017. The hearings are yet to commence.

(ix) For the assessment year 2015-2016, the Assistant Commissioner of Income Tax, – 6(3)(2) by way of an order dated December 19, 2017 disallowed an amount of INR 2,15,80,178 under Section 14A of the IT Act. The order also disallowed an amount of INR 5,03,94,474 under Section 37(1) of the IT Act on account of certain employee stock option expenditures. A rectification order dated March 26, 2018 was passed holding that a shortfall of tax deducted at source amounting to INR 1,64,23,518 was allowed if the same matched with the Form 26AS. The rectification order also allowed MAT credit for assessment year 2012-2013 and a wrongful charge of interest under Section 234A was rectified. The total disallowance was accordingly pegged at INR 7,19,74,652. JMFISL has filed an appeal with the CIT (A) - 12, Mumbai on January 16, 2018. The hearings are yet to commence.

(x) The Service Tax Commissionerate - 3, Mumbai by way of an order dated August 29, 2016 denied the CENVAT credit of INR 5,58,179 availed by JMFISL and confirmed that a demand of INR 5,58,179 be recovered from JMFISL under Rule 14 of the CENVAT Credit Rules, 2004 read with proviso to Section 73(1) of the Finance Act, 1994. The order also imposed interest of INR 5,58,179 under Rule 14 of the CENVAT Credit Rules, 2004 read with Section 75 of the Finance Act, 1994, a penalty of INR 55,818 under Section 76 of the Finance Act, 1994, an amount of INR 10,000 under Section 77 of the Finance Act, 1994 and a penalty of INR 5,58,179 under Rule 15(3) and Rule 15(4) of the CENVAT Credit Rules, 2004 read with Section 78 of the Finance Act, 1994. JMFISL filed an appeal with the Hon'ble Commissioner (Appeals-I), Service Tax against this order. The Commissioner of Central GST and Central Excise, Thane has by way of order dated February 7, 2018 rejected the appeal of JMFISL. Against this JMFISL filed an appeal with the Customs, Excise & Service Tax Appellate Tribunal. The Tribunal by way of order dated August 28, 2018 remanded the matter to the original adjudicating authority.

(xi) The Office of the Assistant Commissioner of Service Tax, Division – I, Mumbai passed an order dated January 11, 2013 demanding service tax amounting to INR 80,203 under Section 73(1) of Chapter V of the Finance Act, 1994 read with Rule 14 of the CENVAT Credit Rules, 2004. The order also imposed interest amounting to INR 80,203; a daily penalty of INR 100 or 1% of the demand amount till the date of actual payment of the demand amount and a fixed penalty of INR 10,000. JMFISL filed an appeal against this order with the Office of the Commissioner of Service Tax (Appeals) – I, Mumbai which appeal was rejected in full by way of an order dated March 27, 2017. JMFISL has filed a further appeal to the Customs, Central Excise and Service Tax Appellate Tribunal on July 17, 2017. The hearings are yet to commence.

(xii) The Service Tax Commissionerate III, Mumbai by way of an order dated September 30, 2016 denied the CENVAT credit of INR 2,65,472 availed by JMFISL and confirmed that this amount should be recovered from them under Rule 14 of the CENVAT Credit Rules, 2004 read with proviso to Section 73(1) of the Finance Act, 1994. The order dropped the demand of INR 58,402 in respect of CENVAT credit taken on insurance payment made towards broker indemnity policy and office furniture and

fixtures, plant and machinery, computers and laptops. The order also imposed interest of INR 2,65,472, a penalty of INR 36, 547. JMFISL has filed an appeal against this order with the Commissioner of Central Excise (Appeals) under Section 85 of the Finance Act, 1994. The Commissioner of Central GST and Central Excise, Thane has by way of order dated February 7, 2018 rejected the appeal of JMFISL. Against this JMFISL filed an appeal with the Customs, Excise & Service Tax Appellate Tribunal. The Tribunal by way of order dated August 28, 2018 remanded the matter to the original adjudicating authority.

(xiii) The Service Tax Commissionerate III, Mumbai by way of an order dated August 29, 2016 confirmed the amount of service tax of INR 32,92, 649 and ordered recovery of the same from JMFISL under proviso to Section 73(1) of the Finance Act, 1994. The order dropped the amount of service tax of INR 1,89,206 which was marked as inadvertently made under incorrect calculation. An interest amount of INR 39,92,649 and a penalty of INR 32,92,649 and another penalty of INR 3,92,268 were imposed under the Finance Act, 1994 and the investment advisory service provided by JMFISL was ordered to be classified under management or business consultancy services under Section 65(105)(r) of the Finance Act, 1994. JMFISL filed an appeal with the Hon'ble Commissioner (Appeals-I), Service Tax against this order. The Commissioner of Central GST and Central Excise rejected the appeal of JMFISL. Against this JMFISL filed an Appeal with the Customs, Excise & Service Tax Appellate Tribunal. The Tribunal hearings are yet to commence.

(e) *JM Financial Services Limited ("**JMFSL**")*

(i) For the assessment year 2007-2008, the Additional Commissioner of Income Tax, Range 4(3), Mumbai by way of an order dated November 19, 2009, disallowed an amount of INR 29,80,028 claimed on BSE/NSE card and other intangible assets. The order also disallowed an amount of INR 8,91,452 under Section 40(a)(ia) of the IT Act and an amount of INR 10,07,850 under Section 14A of the IT Act read with Rule 8D of the IT Rules. Further, an amount of INR 17,68,972 claimed as lease rentals on vehicles was also disallowed and added back to the total income of JMFSL. JMFSL filed an appeal with the CIT (A) – 11, Mumbai on December 21, 2009 which was partly allowed. Both parties filed cross appeals before the ITAT which upheld the appeal filed by JMFSL in certain matters and dismissed the appeal filed by the IT Department. The ITAT had set aside the issue of disallowance of lease rentals on vehicles to the file of the assessing officer to decide afresh. The Assistant Commissioner of Income Tax, 4(3)(1), Mumbai passed an order dated January 23, 2018 once again disallowing the amount of INR 17,68,972 claimed as lease rentals on vehicles. JMFSL has filed an appeal with the CIT (A) - 9, Mumbai on February 9, 2018 and the hearings are yet to commence.

(ii) For the assessment year 2008-2009, the Additional Commissioner of Income Tax, 4(3), Mumbai by way of an order dated November 12, 2010 disallowed an amount of INR 22,35,021 claimed as depreciation on intangible assets. The order also disallowed **(A)** an amount of INR 26,54,970 under Section 14A read with Rule 8D; **(B)** an amount of INR 34,21,651 claimed as lease rentals on vehicles; **(C)** an amount of INR 34,20,800 claimed as expenses on account of entrance fees and subscription; **(D)** an amount of INR 8,17,961 claimed for registration of vehicles; **(E)** an amount of INR 8,976,628 claimed as bad debts. Further, a rebate under Section 88 was allowed to the extent of such net income included in 'income from business or profession' of INR 3,08,52,951. JMFSL filed an appeal with the CIT (A) – 8, Mumbai which was partly allowed. The ITAT in an appeal filed by JMFSL passed an order dated February 28, 2014 partly allowing the appeal and remanded the issue of disallowance of lease rentals to file of the assessing officer to decide afresh. Following this, the Assistant Commissioner of Income Tax, 4(3)(1), Mumbai passed an order dated January 23, 2018 disallowing an amount of INR 34,21,651 claimed as lease rentals on vehicles. JMFSL has filed an appeal with the Commissioner of Income Tax (Appeals)-9, Mumbai on February 12, 2018 and the hearings are yet to commence.

(iii) For the assessment year 2009-2010, the Deputy Commissioner of Income Tax, 4(3), Mumbai by way of an order dated December 26, 2011 treated the amount of

INR 25,96,01,368 as deemed speculation loss under explanation to Section 73 of the IT Act. The order also disallowed **(A)** an amount of INR 16,76,266 claimed as depreciation; **(B)** an amount of INR 32,54,995 claimed as lease rentals on vehicles; and **(C)** an amount of INR 21,48,928 under Section 14A of the IT Act. JMFSL filed an appeal dated January 27, 2012 with the CIT (A) - 8, Mumbai which was partly allowed. Both parties filed an appeal before the ITAT which by way of an order dated December 28, 2016 allowed the appeal of JMFSL partly, remanded the issue of disallowance of lease rentals to file of the assessing officer to decide afresh and dismissed the appeal filed by the IT Department. Following this, the IT Department filed an appeal under Section 260A of the IT Act in the High Court of Judicature at Mumbai seeking the court to address whether **(I)** the ITAT was justified in directing the assessing officer to delete a disallowance of INR 16,76,266 towards depreciation on BSE and NSE membership cards; **(II)** the ITAT was justified in directing the assessing officer to delete a disallowance of INR 21,48,928 made under Section 14A read with Rule 8D of the IT Act; and **(III)** the ITAT was justified in directing the assessing officer to delete the disallowance made towards set off of loss of cash segment against the income from futures and options segment. Separately, the Assistant Commissioner of Income Tax , 4(3)(1), Mumbai passed another order dated December 31, 2017 whereby the submissions made by JMFSL on the lease rent of vehicles were not accepted and the amount of INR 32,54,995 was once again disallowed. JMFSL has filed an appeal with the CIT A - 9, Mumbai on January 29, 2018 and the hearings are yet to commence.

(iv) For the assessment year 2010-2011, the Deputy Commissioner of Income Tax 4(3), Mumbai by way of an order dated March 22, 2013 disallowed an amount of INR 24,21,012 claimed as lease rentals on vehicles. A further amount of INR 63,16,517 was disallowed under Section 14A of the IT Act. JMFSL filed an appeal against this order with the CIT (A) – 8, Mumbai which was dismissed following which JMFSL filed an appeal with ITAT. The ITAT by way of an order dated September 21, 2016 partly allowed the appeal for statistical purposes and remanded the issue of disallowance of lease rentals on vehicles to the file of the assessing officer to decide afresh. Following this, another assessment order dated December 31, 2017 was passed by the Office of the Assistant Commissioner of Income Tax, Circle 4(3)(1), Mumbai holding that the deduction of INR 24,21,012 claimed as lease rentals on vehicles was to be disallowed and added back to the total income. JMFSL has filed an appeal with the CIT (A) - 9, Mumbai on January 29, 2018 and the hearings are yet to commence.

(v) For assessment year 2011-2012, the Office of the Additional Commissioner of Income Tax, Range 4(3), Mumbai by way of an order dated March 04, 2014, held that an amount of INR 33,60,506 claimed as lease rentals on vehicles was to be disallowed. Further, under Section 14A read with Rule 8D of the IT Rules, the disallowance amount was marked at INR 20,59,81,293 and added back to the income of JMFSL. The order also noted that an amount of INR 58,08,13,038 should be added back on account of speculation loss pertaining to delivery based share transactions. JMFSL filed an appeal against this order with the CIT (A) – 9, Mumbai who by way of an order dated March 30, 2016 partly allowed the appeal. Both JMFSL and the IT Department have filed appeals against this order before the ITAT. The ITAT hearings have concluded on October 03, 2018 and the order is awaited.

(vi) For the assessment year 2012-2013, the Deputy Commissioner of Income Tax 4(3)(1), Mumbai by way of an order dated March 29, 2015 disallowed an amount of INR 1,17,73,156 under Section 14A of the IT Act read with Section 8D of the IT Rules for the assessment year 2012-2013. Further, an amount of INR 27,66,866 claimed as lease rentals on vehicles was disallowed and added back. Additionally, an amount of INR 1,34,66,95,811 was also added back to the total income of JMFSL on account of speculation loss pertaining to delivery based share transactions. JMFSL filed an appeal against this order with the CIT (A) - 9, Mumbai which by way of an order dated March 22, 2018 partly allowed the appeal. JMFSL has filed an appeal with the ITAT which is currently pending.

(vii) For the assessment year 2013-2014, the Deputy Commissioner of Income Tax

4(3)(1), Mumbai by way of an order dated February 29, 2016 disallowed an amount of INR 22,58,791 claimed as lease rental on vehicles to the total income . The order also added an amount of INR 38,78,20,712 on account of speculation loss pertaining to delivery based share transactions. JMFSL filed an appeal with CIT (A) - 9, Mumbai which by way of an order dated August 17, 2018 partly allowed the appeal. JMFSL has filed an appeal with the ITAT on October 25, 2018. The ITAT hearings are yet to commence.

(viii) For the assessment year 2014-2015, the Office of the Assistant Commissioner of Income Tax, 4(3)(1), Mumbai by way of an order dated December 23, 2016 disallowed an amount of INR 19,74,517 claimed as lease rentals on vehicles for assessment year 2014-2015. A further amount of INR 67,20,64,675 was added on account of speculation loss pertaining to delivery based share transactions. JMFSL has filed an appeal with the CIT (A) - 9, Mumbai. The hearing before the CIT (A), Mumbai concluded on November 19, 2018 and the order is awaited.

(ix) For the assessment year 2015-2016, the Assistant Commissioner of Income Tax, 4(3)(1), Mumbai by way of an order dated December 05, 2017 disallowed an amount of INR 19,51,900 claimed as lease rentals on vehicles. A further amount of INR 4,37,500 was also added to the income of JMFSL under Section 14A of the IT Act. JMFSL has filed an appeal with the CIT (A) - 9, Mumbai. The hearings before the CIT (A) – 9, Mumbai are yet to commence.

(x) For the assessment year 2016-2017, the Assistant Commissioner of Income Tax, 4(3)(1), Mumbai by way of an order dated December 25, 2018 disallowed an amount of INR 21,42,587 claimed as lease rentals on vehicles, disallowed an of INR 12,09,518 under Section 14A of the IT Act and disallowed an amount of INR 1,25,27,856 on account of certain employee stock option expenses. JMFSL is in the process of filing an appeal with the CIT (A) - 9, Mumbai which will be filed in due course of time.

(xi) The Deputy Commissioner of Income Tax (TDS) – 2(1) by way of an order dated March 07, 2014 held that an amount of INR 94,74,058 was payable as default on account of borrowing cost on SLB transactions for assessment year 2012-2013. The order also held that an amount of INR 4,66,183 was payable on account of repair and maintenance expenses, an amount of INR 2,76,361 was payable on account of bank guarantee charges and an amount of INR 71,140 was payable on account of interest component of lease expenses. The total amount payable under this order was pegged at INR 1,02,87,742. The Office of the CIT (A) , Mumbai by way of an order dated February 26, 2016 partially allowed the appeal filed by JMFSL. JMFSL has filed an appeal with the ITAT.

(xii) The Commissioner of Service Tax, Mumbai issued a notice to show cause cum demand on JMFSL dated October 15, 2008 for evading service tax payment and requiring JMFSL to show cause as to why service tax of INR 11,25,43,213 on business auxiliary service, INR 1,27,05,150 on banking and other financial services and INR 3,35,866 on business support services should not be demanded and recovered from them under Section 73(1) read with Section 68 of Chapter V of the Finance Act, 1994. Following this, the Office of the Commissioner of Service Tax, Mumbai passed an order dated January 13, 2011 whereby the demand for service tax amounting to INR 5,45,41,217 was confirmed. The previous demand for brokerage / commission IPO amounting to INR 7,10,43,012 was dropped as untenable. Further, a demand amount of INR 3,29,410 was also confirmed. A further penalty of INR 5,50,05,000 was also imposed on JMFSL. JMFSL appealed this order with the Customs, Excise and Service Tax Appellate Tribunal, West Zonal Bench, Mumbai which by way of an order dated March 15, 2013 allowed the appeal and set aside the levy of service tax on the share income as a result of IPO financing received from the NBFC company; set aside the leviability of service tax in respect of processing fee received from the bank; set aside the levy of service tax on reimbursement of common expenses such as electricity charges, common office expenses etc., and set aside the penalties imposed on JMFSL. An appeal was filed by the Commissioner of Service Tax with the High Court of Judicature at Mumbai and the same is pending for disposal.

(xiii) The Department of Revenue, Central Board of Excise and Customs, Directorate General of Central Excise Intelligence, Mumbai issued JMFSL a show cause cum demand notice dated October 17, 2006 requiring JMFSL to show cause as to why **(A)** the services rendered by it in relation to the sale of RBI bonds in course of its business activities and on which it had failed to pay due service tax should not be classified under banking and other financial services of Section 65 of the Finance Act, 1994; **(B)** service tax amounting to INR 82,32,427 determined to be liable to be paid by JMFSL on the aforesaid services rendered by it to its customers, during the period from August 02 to March 06 should not be demanded and recovered from it; **(C)** an amount of INR 63,00,000 paid by JMFSL as above, under protest, in course of the instant case investigations, against the service tax liability to be discharged by it, should not be appropriated against the above demand; and **(D)** penalty should not be imposed on JMFSL. Following this the Commissioner of Service Tax by way of an order dated March 16, 2011 passed an order whereby the services rendered by JMFSL in relation to the RBI bonds were classified as banking and other financial services, taxable under Section 65(105)(zp) during the period prior to September 10, 2004 and under Section 65(105)(zm). The order fixed an amount of INR 76,02,092 as the amount of service tax due from JMFSL. Certain amounts were also appropriated / adjusted through this order. A further amount of INR 13,02,092 was also asked to be paid. Both parties filed an appeal against this order with the Customs, Excise and Service Tax Appellate Tribunal, West Zonal Bench which by way of an order dated September 30, 2015 allowed the appeal of JMFSL and set aside the impugned order. The service tax department has filed an appeal in the Supreme Court and the same is pending for disposal.

(xiv) JMFSL filed a complaint dated April 11, 2017 with the Dadar Police Station, Mumbai against Anil Kumar Vithala and Deepak. JMFSL observed certain unusual activity in the account of Anil Kumar Vithala which had been opened by a relationship manager of JMFSL and was subsequently found that the account was a fraudulent account. Despite various reminders no further action has been undertaken by the police after their initial request for information and documents in relation to the matter. In April, 2018 Hyderabad police sent a notice to JMFSL to furnish certain information in relation to the FIR lodged by one of the representative of Mr. Anil Kumar Vithala against Deepak for fraudulent opening of the broking and demat account. JMFSL received various letters from the police subsequently also seeking details and the same has been accordingly replied by JMFSL. JMFSL has also co-operated in the investigation of the police.

(xv) Kamlesh Jain filed an arbitration application during January 2009 before the NSE, which had been rejected. Subsequent to this, Kamlesh Jain filed an application under Section 34 of the Arbitration and Conciliation Act, 1996 at Jaipur, where the court had referred the matter back to the arbitrator to decide on certain aspects. The NSE has not reverted on the matter till date. Kamlesh Jain also filed a first information report against JMFSL with the Ashok Nagar police station in Jaipur City (South) on January 22, 2009 for executing certain unauthorised trades through his dematerialised account maintained with JMFSL. JMFSL has informed the police of the process of functioning of dematerialised accounts and has shared various documents with them for their investigation. Kamlesh Jain then filed a protest petition which was dismissed by the court and against this dismissal order Kamlesh Jain has filed a revision petition for setting aside the dismissal order.

(xvi) Pillamari Venkata Krishna Sastri was a client of a franchisee of JMFSL. JMFSL had delivered a pay-out cheque of Pillamari Venkata Krishna Sastri to the franchisee, which was fraudulently enchased by a person impersonating Pillamari Venkata Krishna Sastri. The person who had encashed this cheque had withdrawn the amount in cash. JMFSL originally lodged a first information report in February 2012 regarding the fraudulent encashment of this cheque. Subsequently, Pillamari Venkata Krishna Sastri filed a complaint in November 2012 and made JMFSL a party. The first information report filed by JMFSL was then closed as being dropped since Pillamari Venkata Krishna Sastri had filed a first information report for the same cause. No enquiry has been carried out against JMFSL so far for the complaint filed by Pillamari Venkata Krishna Sastri. JMFSL then filed a quash petition under Section 482 of the CrPC in the High Court, Hyderabad against Pillamari Venkata Krishna Sastri seeking quashing of the first information report

filed against them.

(xvii) Anurag Sharan filed a criminal petition bearing number 5814/2017 in the High Court of Karnataka praying that the court quash the entire proceedings in CC No. 14431/2013 pending before the XIII Additional Chief Metropolitan Magistrate, Bangalore filed by JMFSL under Section 138 of the Negotiable Instruments Act, 1881. The matter is currently pending.

(xviii) Ajay Mehta filed a first information report against JMFSL and certain other persons claiming losses suffered by him for trades executed on the National Spot Exchange Limited which was later embroiled in a large scam. JMFSL received several queries and questions from the police by way of letters dated May 01, 2015, September 02, 2015 and February 23, 2017 which was responded to by way of letters dated June 04, 2015, September 10, 2015, May 14, 2015, March 22, 2017. There has been no update on the matter since March 22, 2017.

(xix) MGM Forgings Private Limited filed a commercial suit before the High Court of Judicature at Mumbai against JMFSL and others claiming huge losses on account of their investment of a substantial sum of money for trades on the National Spot Exchange Limited which was later embroiled in a large scam and resulting in non-payment of dues. The case was filed against JMFSL, JM Financial Commtrade Ltd, SNK Investment Pvt Ltd, J.M. Financial & Investment Consultancy Services Pvt. Ltd, Mr. Keki Bomi Dadiseth, Amishi Nimesh Kampani, Ms. Aruna Nimesh Kampani, JM Assets Management Pvt Ltd, Mr. Surendra Nayak, Mr. Anil Nagindas Kampani, Mr. Rajeev Chitrabhanu, Ms. Dipti Nilkanthan, Mr. Anup Pravin Shah, Mr. Hemant Kotak, Mr. Vipul Shah, Mr. Nimesh Kampani, Mr. Vishal Kampani, Mr. Anil Mavinkure, Mr. Subodh Shinkar, Mr. Prashant Choksi and Mr. Kaya Ramesh for INR 22,20,55,880 of which certain percentage was for transactional loss. JMFSL has filed its written statement and the matter is currently pending.

(xx) JMFSL has filed certain criminal litigations under Section 138 of the Negotiable Instruments Act, 1881 for the recovery of INR 1,33,36,981 from certain defaulters.

(f) *JM Financial Commtrade Limited ("**JMFCL**")*

JMFCL received a notice dated January 31, 2017 from the Serious Fraud Investigation Office, Government of India ("**SFIO**") intimating JMFCL that the central government had assigned the SFIO to investigate the affairs of the NSEL. Through the notice JMFCL was required to provide to the SFIO certain corporate secretarial documents, trade related documentation and documents submitted with the Mumbai police, the Enforcement Directorate and the Central Bureau of Investigation in connection with the NSEL investigation. JMFCL issued a reply to this letter dated February 20, 2017 providing responses to the SFIO along with the requested documents. The SFIO sought certain further information through an email dated February 27, 2018 which JMFCL shared through a letter dated March 14, 2018. No further communication has been received from the SFIO.

(g) *JM Financial Capital Limited*

JM Financial Capital Limited has filed a criminal case against a borrower for recovery of INR 1,40,00,000 under Section 138 of the Negotiable Instruments Act, 1881.

4. **Litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against the Promoter during the last 5 years**

Nil

5. **Regulatory proceedings against the Company or the Promoter and tax litigations resulting in material liabilities at the time of the Issue which may affect the Issue or an investor's decision to invest / continue to invest in the NCDs;**

Nil

6. **Details of material frauds committed against the Company**

There have been no instances of frauds committed by borrowers, customers and employees against the Company in its operation as an NBFC which are inherent in the nature of the business of the Company or that have arisen in the ordinary course of business.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on October 24, 2018, the Board of Directors approved the issuance to the public of Secured NCDs of face value of ₹ 1,000 each and Unsecured NCDs of face value of ₹ 1,000 each, aggregating up to ₹ 2,000 crores ("**Shelf Limit**") to the public, hereinafter called the "**Issue**". The Unsecured NCDs shall be in the nature of Subordinated Debt and shall be eligible for inclusion as Tier II Capital.

The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any tranche issue (each a "**Tranche Issue**"), and such Tranche Issue shall be decided by NCD Public Issue Committee of Board of Directors.

Further, the present borrowing is within the borrowing limits of ₹ 14,000 crores under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' vide their resolution dated October 25, 2018.

Further, the NCD Public Issue Committee of the Board of Directors has approved the Issue and this Draft Shelf Prospectus by way of resolution dated February 01, 2019.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Promoters and/or our Directors have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, A.K. CAPITAL SERVICES LIMITED, JM FINANCIAL LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED, HAVE CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUE IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLSOURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, A.K. CAPITAL SERVICES LIMITED, JM FINANCIAL LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED • WHICH READS AS FOLLOWS:

"We confirm that neither the issuer nor its promoters or directors have been prohibited from accessing the capital market under any order or direction passed by the Board. We also confirm that none of the intermediaries named in the offer document have been debarred from functioning by any regulatory authority.

We confirm that all the material disclosures in respect of the issuer have been made in the offer document and certify that any material development in the issue or relating to the issue up to the commencement of listing and trading of the shares offered through this issue shall be informed through public notices /

advertisements in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue will be given.

We confirm that the offer document contains all disclosures as specified in the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

We also confirm that all relevant provisions of the Companies Act, 2013, Securities Contracts, (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 and the Rules, Regulations, Guidelines, Circulars issued thereunder are complied with.

Disclaimer Clause of the BSE

BSE Limited ("the Exchange") has given, [vide its letter dated •], permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for, or otherwise acquires any securities of this Company may do so pursuant to Independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by any reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED MARCH 02, 1998 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of lead manager	Website
A. K. Capital Services Limited	www.akgroup.co.in
JM Financial Limited*	www.jmfl.com
Trust Investment Advisors Private Limited	www.trustgroup.in

*****_In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the SEBI ICDR Regulations, JMFL will be involved only in marketing of the Issue._

Listing

Application will be been made to the BSE simultaneously with the filing of the Shelf Prospectus for permission to deal in and for official quotation in NCDs. If permission to deal in and for an official quotation of our NCDs

is not granted by the BSE, our Company will forthwith repay, without interest, all monies received from the applications in pursuance of the Shelf Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the stock exchange mentioned above are taken within 6 Working Days from the Issue Closing Date specified for each Tranche Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers

No arrangers have been appointed for this Issue.

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) the Debenture Trustee; (i) lenders of the Company; (j) CRISIL as an industry expert for inclusion of the report titled "NBFC Coverage"; and (k) Arun Arora & Co. as independent chartered accountant for inclusion of the statement of tax shelter, to act in their respective capacities, have been obtained and the same will be filed along with a copy of this Draft Shelf Prospectus, Shelf Prospectus and Tranche Prospectus with the ROC.

The consent of the Statutory Auditors of our Company, namely M/s. Khimji Kunverji & Co, Chartered Accountants, Mumbai for (a) inclusion of their names as the Statutory Auditors, (b) examination reports on Reformatted Summary Financial Statements in the form and context in which they appear in this Draft Shelf Prospectus, and (c) inclusion of the statement of capitalisation, have been obtained and has not withdrawn such consent and the same will be filed along with a copy of this Draft Shelf Prospectus, the Shelf Prospectus with the Registrar of Companies, Maharashtra, located at Mumbai.

The consents of the: **(a)** JMFCL Auditors for inclusion of their names as the statutory auditors of JMFCL and inclusion of the JMFCL Standalone Financial Statements; **(b)** Astute Auditors for inclusion of their names as the statutory auditors of Astute Investments and inclusion of the Astute Financial Statements; **(c)** JMFSL Auditors for inclusion of their names as the statutory auditors of JMFSL and inclusion of the JMFSL Standalone Financial Statements; and **(d)** JMFHL Auditors for inclusion of their names as the statutory auditors of the Subsidiary and inclusion of the JMFHL Standalone Financial Statements and the JMFHL Limited Review Financial Results, have been obtained and has not withdrawn such consent and the same will be filed along with a copy of this Draft Shelf Prospectus, the Shelf Prospectus with the Registrar of Companies, Maharashtra, located at Mumbai.

Expert Opinion

Except the: (i) Auditors report on Financial Statements issued by M/s. Khimji Kunverji & Co, Chartered Accountants, Mumbai dated January 31, 2019, (ii) Statement of Tax Benefits issued by M/s. Khimji Kunverji & Co, Chartered Accountants, Mumbai dated January 31, 2019, (iii) industry report titled "NBFC Coverage" issued by CRISIL, the Company has not obtained any expert opinions; and (iv) statement of tax shelter from Arun Arora & Co. as independent chartered accountants.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue, prior to the Issue Closing Date the entire Applciation Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Account(s), such Application Amounts shall be refunded within 6 Working Days from the Refund Account to the relevant ASBA Accounts(s) of the Applicants. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Filing of the Draft Shelf Prospectus

A copy of this Draft Shelf Prospectus shall be filed with the Designated Stock Exchange in terms of Regulation 7 of the SEBI Debt Regulation for dissemination on their website and the SEBI.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

A copy of the Shelf Prospectus and the Tranche Prospectus shall be filed with the Registrar of Companies in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Debenture Redemption Reserve

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of the company available for payment of dividend, (b) the DRR shall be equivalent to at least 25% of the value of the outstanding debentures issued through the public issue in accordance with the SEBI Debt Regulations in case of NBFCs registered with the RBI no DRR is required in the case of privately placed debentures. Accordingly our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. Every company required to create or maintain DRR shall on or before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilised for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year.

Issue Related Expenses

The expenses for each Tranche Issue include, inter alia, lead management fees and selling commission to the lead managers, lead-brokers, fees payable to debenture trustees, underwriters, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for each Tranche Issue shall be as specified in the relevant Tranche Prospectus.

Underwriting

This Issue shall not be unwritten.

Identification as wilful defaulter

Our Company (as defined under the Companies Act, 2013) or any of its directors or promoters have not been identified as willful defaulter by any bank or financial institution or consortium thereof, n accordance with the guidelines on wilful defaulters issued by the RBI/ECGC or any other governmental authority.

Reservation

No portion of this Issue has been reserved.

Details regarding the Company and other listed companies which are associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years

There are no other listed companies under the same management / associate companies as described under the Companies Act, 2013, which have made any public capital issuances during the previous three years from the date of this Draft Shelf Prospectus.

Private Placement

The Company has issued and allotted on private placement basis secured, rated, listed, redeemable, non-convertible debentures as given in the below table. The said debentures have been listed at BSE.

Financial Year	Units (Face value of ₹ 10 lakhs each)	Issue Amount (₹ In Crore)
2014-15	545	54.5
2015-16	1,458	145.8
2016-17	10,884	1088.4 (Includes Unsecured NCD of Rs. 177 crore)
2017-18	22,307	2230.7 (Includes Unsecured NCD of Rs. 457 crore)
Total	**35,194**	**3519.4**

Previous Issue

Except as stated in the sections titled "*Capital Structure*" and "*Disclosures on existing financial indebtedness*" on pages 52 and 132 of this Draft Shelf Prospectus respectively, our Company has not made any other issue of non convertible debentures. The proceeds from the issuance of non-convertible debentures by the Company on a private placement basis have been utilised, *inter alia*, for repayment of existing borrowings, onward lending and working capital purposes.

Other than as specifically disclosed in this Draft Shelf Prospectus, our Company has not issued any securities for consideration other than cash.

Utilisation details of Previous Public Issues

Utilisation details of previous public issues made by the Company

The Company has not made any public issue of its securities prior to the date of this Draft Shelf Prospectus.

Utilisation details of previous public issues made by Group Companies

JM Financial Credit Solutions Limited has made a public issue of secured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 each, in two tranches. The details of the utilisation of issue proceeds, tranche wise, from such public issue are given below:

Tranches	Issue opening date	Issue closing date	Date of allotment of securities	Particulars	Amount (Rs. in Crores)
Tranche I	May 28, 2018	May 29, 2018	June 07, 2018	Repayment of borrowings	249.0
				Lending	465.0
				Working Capital	36.0
				Total	**750.0**
Tranche II	November 20, 2018	December 07, 2018	December 13, 2018	Repayment of borrowings	Proceeds yet to be fully utilised
				Lending	
				Working Capital	

Details regarding lending out of issue proceeds of Previous Issues

A. ***Lending Policy***

Please refer to the section titled "*Our Business*" on page 92 of this Draft Shelf Prospectus for details regarding the lending policy of the Company.

B. ***Loans given by the Company***

As of March 31, 2018 there are no loans given by our Company that are outstanding towards associate companies or entities / persons related to the Board, senior management, Promoter or other parties covered in the registered maintained under Section 189 of the Companies Act, 2013.

C. ***Types of loans***

Types of loan given by the Company as on March 31, 2018 are as follows:

S. No	Type of loans	Amount (Rs in crores)
1	Secured	6,525.5
2	Unsecured	56.8
	Total	**6,582.3**

Denomination of loans outstanding by ticket size as on March 31, 2018:

S. No	Ticket size	Percentage of AUM
1	Upto Rs 2 lakh	0.0%
2	Rs 2-5 Lakh	0.1%
3	Rs 5-10 Lakh	0.1%
4	Rs 10-25 Lakh	0.5%
5	Rs 25-50 Lakh	0.6%
6	Rs 50 Lakh -1 Crore	1.2%
7	Rs 1 - 5 Crore	4.3%
8	Rs 5-25 Crore	10.3%
9	Rs 25-100 Crore	47.4%
10	>Rs 100 Crore	35.5%
		100.0%

Geographical classification of borrowers as on March 31, 2018:

S. No.	Top 5 states	Percentage of AUM
1	Maharashtra	90.8%
2	Gujarat	4.1%
3	Karnataka	2.7%
4	West Bengal	1.3%
5	New Delhi	0.7%
	Total	**99.6%**

Types of loans according to sectorial exposure as on March 31, 2018 is as follows:

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	**Capital Market**	**33.2%**
a	Corporate Funding	8.3%
b	ESOP Funding	2.9%
c	Loan against Bond / Mutual Fund	2.1%
d	Loan against Shares	7.1%
e	Margin Funding	10.3%
f	Sponsored Financing	2.5%
g		
2	**Real Estate Funding**	**33.0%**
a	Commercial real estate	31.2%
b	Residential Mortgages	1.8%
c		
d	**Others**	**33.8%**
e		
	Total	**100.0%**

Maturity profile of total retail loan portfolio of the Company as on March 31, 2018 is as follows:

Period	ount (Rs in crores)
Less than 1 month	470.3
1-2 month	411.5
2-3 month	189.8
3-6 month	297.5
6 month -1 year	280.0
Above 1 year	22.5
Total	**1,671.6**

D. ***Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2018***

	Amount (Rs in crore)
Total Advances to twenty largest borrowers	3,039.3
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	46.2%

E. ***Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2018***

	Amount (Rs in crore)
Total Exposures to twenty largest borrowers/Customers	3,050.7
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers	46.1%

F. ***Details of loans overdue and classified as non – performing in accordance with the RBI's guidelines as of March 31, 2018***

Movement of gross NPAs*	Amount (Rs in crores)
(a) Opening balance	4.1
(b) Additions during the year	19.9
(c) Reductions during the year	7.2
(d) closing balance	16.8

*Please refer paragraph titled "Non Performing Assets (NPAs)" under chapter "Our Business" at page 92 of this Draft Shelf Prospectus for details on Gross NPA recognition Policy.

Movement of provisions for NPAs	Amount (Rs in crores)
(a) Opening balance	4.1
(b) Provisions made during the year	2.1
(c) Write-off / write -back of excess provisions	4.5
(d) closing balance	1.7

G. Segment –wise gross NPA as on March 31, 2018

S. no	Segment- wise breakup of gross NPAs	Gross NPA (%)
1	Capital Markets	100%
	Total	**100.00%**

H. Classification of borrowings as on March 31, 2018

S. No	Type of Borrowings	Amount (Rs in crores)	Percentage
1	Secured	3,475.7	62.8%
2	Unsecured	2,058.2	37.2%
	Total	**5,533.9**	**100%**

I. Promoter Shareholding

Please refer to the chapter "*Capital Structure*" on page 52 for details with respect to Promoter shareholding in our Company as on date of this Shelf Prospectus.

J. Residual maturity profile of assets and liabilities as on March 31, 2018

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowing from Banks	20.0	20.0	20.0	60.0	93.3	586.7	130.0	-	930.00
Market Borrowings	312.2	406.0	760.9	673.4	539.1	1,472.4	439.9	-	4,603.9
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
Assets									
Advances	532.3	483.7	222.2	510.7	1,469.6	2,507.5	717.4	138.9	6,582.3
Deposits	-	-	-	-	-	0.0	1.0	0.0	1.0

Investments	2.3	-	-	-	56.8	-	-	39.5	98.6
Foreign currency assets	-	-	-	-	-	-	-	-	-

Auditors' Remarks

The statutory auditor of the Company, M/s. Khimji Kunverji & Co, Chartered Accountants, Mumbai confirm that there have been no reservations or qualifications or adverse remarks in the Financial Statements of the Company in the last five financial years immediately preceding the date of this Draft Shelf Prospectus.

Dividend

Our Company has no stated specific dividend policy. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The dividends paid by our company are as follows:

Financial Year	Nature of Dividend	Dividend Per Equity Share of Rs.1 each (in Rs.)
2018-19	Interim	Rupee 0.70 per share
2017-18	Final	Rupee 1.00 per share
	Interim	-
2016-17	Final	Rupee 1.00 per share
	Interim	Rupee 1.00 per share
2015-16	Final	Rupee 1.00 per share
2014-15	Final	Rupee 1.00 per share
2013-14	Final	Rupee 0.30 per share

Revaluation of assets

The Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

Karvy Fintech Private Limited has been appointed as the Registrar to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints. The Registrar Agreement between the Registrar and our Company will provide for retention of records with the Registrar for a period of at least 8 years from the last date of despatch of the letters of allotment, demat credit and refund credit to enable the investors to approach the Registrar for redressal of their grievances. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, Options of NCDs applied for, the Depository Participant and the amount blocked on Application. A copy of all grievances may also be addressed to either **(a)** the relevant Designated Branch of the SCSB where the Application Form was submitted by the Applicant, or **(b)** the concerned Designated Intermediary and the relevant Designated Branch of the SCSB in the event of an Application submitted at any of the Syndicate ASBA Centres.

All grievances arising out of Applications for the NCDs made through Online Stock Exchanges may be addressed directly to the Designated Stock Exchange. The contact details of Registrar to the Issue are as follows:

Registrar to the Issue

Karvy Fintech Private Limited (Formerly known as KPCL Advisory Services Private Limited)
Karvy Selenium Tower B,
Plot 31-32,
Gachibowli Financial District,
Nanakramguda,

Hyderabad 500 032
Tel: (+91 40) 6716 2222
Fax: (+91 40) 2343 1551
Email: jmfpl.ncd1@karvy.com
Investor Grievance Email: einward.ris@karvy.com
Website: www.karvyfintech.com
Contact Person: Mr. Murali Krishna
Compliance Officer: Mr. Rakesh Santhalia
SEBI Registration No.: INR000000221

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 7 (seven) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Reena Sharda has been appointed as the Company Secretary and Compliance Officer of our Company for this Issue.

The contact details of the Company Secretary and Compliance Officer of our Company are as follows:

Reena Sharda
Company Secretary and Compliance Officer
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai
Maharashtra 400 025
Tel: (+91 022) 6630 3030
Fax: (+91 022) 6630 3223
Email: investorrelations.products@jmfl.com/reena.sharda@jmfl.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as demat credit or refunds.

Change in Auditors of our Company during the last three years

M/s. Khimji Kunverji & Co, Chartered Accountants, Mumbai, is the current statutory auditor of the Company. Prior to M/s. Khimji Kunverji & Co, Chartered Accountants, Mumbai, Deloitte Haskins & Sells LLP, Chartered Accountants, were the statutory auditors of the Company. Details of changes in the statutory auditors of the Company in the last 3 years have been summarised below:

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)	Remarks
Deloitte Haskins & Sells LLP, Chartered Accountants	Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Elphinstone Mill Compound, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013, India	17/07/2018 Resignation	10/10/2008	Resignation on account of expiry of the term of engagement of 5 years.
Khimji Kunverji & Co, Chartered Accountants	Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013	17/07/2018 Appointment	-	Appointment on account of expiry of the term of engagement of the previous statutory auditor, Deloitte Haskins & Sells LLP, Chartered Accountants, of 5 years.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the Company. Taxation statutes such as the IT Act and applicable tax statutes apply to us as they do to any other Indian company and therefore have not been detailed below. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The following information is based on the current provisions of applicable Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The Company is a systemically important NBFC which does not accept public deposits. As such, our business activities are regulated by RBI regulations applicable to a Systemically Important Non – Deposit taking Non – Banking Financial Company ("**ND-SI-NBFC**").

Following are the significant regulations that affect our operations:

I. NBFC regulations

The Reserve Bank of India Act

The RBI regulates and supervises activities of NBFCs. Chapter III B of the Reserve Bank of India Act, 1934 ("**RBI Act**") empowers the RBI to regulate and supervise the activities of all NBFCs in India. The RBI Act defines an NBFC under Section 45-I (f) as:

(i) "a financial institution which is a company;

(ii) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner;

(iii) such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify."

Section 45-I(c) of the RBI Act, further defines "financial institution" to mean any non-banking institution which, among other things, carries on the business or part of its business of making loans or advances and the acquisition of shares, stock, bonds, debentures or securities issued by a Government or local authority or other marketable securities of a like nature.

The RBI has clarified through a press release (Ref. No. 1998-99/ 1269) dated April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC if (a) its financial assets are more than 50 per cent of its total assets (netted off by intangible assets); and (b) income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

The RBI Act mandates that no NBFC shall commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration. In terms of notification No. DNBS.132/CGM(VSNM)-99 dated April 20, 1999 the minimum net owned fund for a company applying for such certificate of registration was ₹ 20,000,000, however the minimum net owned fund prescribed for companies already in existence prior to the notification was retained at ₹ 2,500,000. Further, the RBI has mandated that all NBFCs shall attain a minimum net owned fund of ₹ 20,000,000 by March 31, 2017, as per the following milestones: (i) ₹ 10,000,000 by March 31, 2016 and (ii)₹ 20,000,000 by the end of March 31, 2017. NBFCs failing to maintain such net owned fund in the prescribed time shall not be entitled to hold a certificate of registration as an NBFC.

Under Section 45 – IC of the RBI Act, every NBFC must create a reserve fund and transfer thereto a sum not less than 20 per cent of its net profit every year, as disclosed in the statement of profit and loss account and before any dividend is declared. Such a fund is to be created by every NBFC irrespective of whether it is a ND-NBFC or not. Further, no appropriation can be made from the fund for any purpose by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such appropriation.

RBI Master Direction DNBR.PD.008/03.10.119/2016-17 on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

All ND-NBFCs with an asset size of ₹ 10,000 lakh or more as per the last audited balance sheet will be considered as a systemically important ND-NBFC (NBFC – ND - SI). RBI by a notification dated June 04, 2009 had clarified that once an NBFC reaches an asset size of ₹ 10,000 lakh, or above, it shall come under the regulatory requirement as a NBFC-ND-SI, despite not having such assets on the date of the last balance sheet. The RBI in its notification (RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15) dated November 10, 2014 revised the threshold for defining systemic significance for NBFCs-ND in the light of the overall increase in the growth of the NBFC sector. As per the said Circular, NBFCs-ND -SI would be those NBFCs-ND which have asset size of ₹ 50,000 lakh and above as per the last audited balance sheet. Moreover, pursuant to this amendment, all NBFCs- ND with assets of ₹ 50,000 lakh and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND - SI. NBFCs- ND -SI are required to comply with conduct of business regulations if customer interface exists.

All systemically important NBFCs are required to maintain a minimum CRAR of 15%.

Rating of NBFCs

The RBI has instructed that all NBFCs with an asset size of ₹ 50,000 lakh shall furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

RBI Notification No. DBR.No.BP.BC.37/21.04.048/2016-17 dated November 21, 2016 on Prudential Norms

Master Directions-Non-Banking Financial Company Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended (the "**Prudential Norms**"), amongst other requirements prescribe guidelines on NBFCs-ND-SI regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

RBI Notification No. DBR.BP.BC.No.63/21.04.018/2016-17 on Disclosure in the "Notes to Accounts" to the Financial Statements- Divergence in the asset classification and provisioning

A NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realization of the security and erosion overtime in the value of the security charged, shall make provisions against standard assets, sub-standard assets, doubtful assets and loss assets in the manner provided for in the Prudential Norms. In the interests of counter cyclicality and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI vide their circular no. DNBS.PD.CC. No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25% of the outstanding standard assets. RBI vide their circular no. DNBR (PD) CC No. 037/03.01.001/2014-15 dated June 11, 2015 raised the provision for standard assets to 0.40% to be met by March 2018. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the 'General Provisions on Standard Assets' in Tier II capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II capital only up to a maximum of 1.25% of the total risk-weighted assets.

RBI Master Circular No. DBR.No.bp.bc.3/21.01.002/2015-16 on Prudential Norms on Capital Adequacy - Basel I Framework

Every NBFC-ND-SI should maintain, with effect from March 31, 2011, a minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital of a ND-NBFC shall not exceed 100% of the Tier I capital.

Tier – I Capital means, owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per

cent of the owned fund; and perpetual debt instruments issued by a Systemically important non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.

Owned Funds means, paid-up equity capital, Cumulative Compulsory Convertible Preference Shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier – II Capital means to include the following (a) Cumulative Compulsory Convertible Preference Shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth per cent of risk weighted assets; (d) hybrid debt capital instruments; and (e) Subordinated Debt to the extent the aggregate does not exceed Tier – I capital; and (f) perpetual debt instrument issued by a systemically important ND-NBFC, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier – I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

RBI Master circular no. DBR.No.Dir.BC.12/13.03.00/2015-16 on Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Prudential Norms, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important ND-NBFC, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important ND-NBFC. Further, the systemically important ND-NBFC may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. Further, the systemically important NBFC-ND-SI may not have credit and investment in the shares of another company exceeding 25% of its owned funds, and in case of a single group of companies exceeding 40% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. The above norms shall apply to any NBFC-ND-SI not accessing public funds, either directly or indirectly and not issuing guarantees. Further, NBFC-ND-SI may exceed the concentration of credit / investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and / or investment.

RBI Master circular on DBOD.No.BP.BC.9/21.04.048/2014-15 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances

The Prudential Norms require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

(i) Standard assets;

(ii) Sub-standard assets;

(iii) Doubtful assets; and

(iv) Loss assets.

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present, every NBFC is required to make a provision for standard assets at 0.25% of the outstanding. The requirement for standard assets for NBFCs-ND-SI and for

all NBFCs-D, has vide the RBI notification dated November 10, 2014 been increased to 0.40%, to be complied with in a phased manner as follows: (i) 0.30% by March 31, 2016, (ii) 0.35% by March 31, 2017 and (iii) 0.40% by March 31, 2018.

Other stipulations

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The Prudential norms also specifically prohibit NBFCs from lending against its own shares.

RBI Master direction RBI/DBR/2015-16/18 on KYC Guidelines

The RBI has extended the Know Your Customer ("**KYC**") guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The KYC policies are required to have certain key elements, including, customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, customer due diligence and diligence of accounts of politically exposed persons and adherence to KYC guidelines.

RBI Master direction DNBR (PD) CC.No.053/03.10.119/2015-16 on Corporate Governance Guidelines

As per the ND-SI-Directions, all NBFC-ND-SI are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending has also been prescribed in the RBI Master Circular. Further, RBI *vide* notification dated November 10, 2014 has mandated the Audit Committee to ensure that an information systems audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the company. RBI has also mandated the NBFCs to have a policy to ascertain the 'fit and proper criteria' at the time of appointment of directors and on a continuing basis.

RBI Master circular DBR.BP.BC.No.5/21.04.172/2015-16 on Financing of NBFCs by bank

The RBI has issued guidelines vide a circular bearing number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, Group Companies, entities; (v) further lending to individuals for the purpose of subscribing to an initial public offer.

RBI Master Circular No. DNBR (PD) CC.No.043/03.10.119/2015-16 on Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

In addition, the RBI has introduced vide a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 01, 2015 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and

risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFC's website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

RBI Master Circular No. DNBR (PD) CC.No.055/03.10.119/2015-16 on Miscellaneous Instructions to NBFC-ND-SI

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio, etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution requiring to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalization of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013, the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI , it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

RBI Master Circular No. DNBR (PD) CC.No.055/03.10.119/2015-16 on Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs ("**ALM Guidelines**") that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2010. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including an asset base of ₹10,000 lakh, irrespective of whether they are accepting / holding public deposits or not, are required to put in place an ALM system. The ALM system rests on the functioning of ALM information systems within the NBFC, ALM organization including an Asset Liability Committee ("**ALM**") and ALM support groups, and the ALM process including liquidity risk management, management of marketing risk, funding and capital planning, profit planning and growth projection, and forecasting/ preparation of contingency plans. It has been provided that the management committee of the board of directors or any other specific committee constituted by the board of directors should oversee the implementation of the system and review its functioning periodically. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/ 31 days' time-bucket should not exceed the prudential limit of 15% of outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

RBI Notification No. DBR.AML.No.1637/14.01.001/2015-16 on Anti Money Laundering / Combating of financial of terrorism (CFT – Standards)

The RBI has issued a Master Circular dated July 01, 2013 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 10 lakh; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 10 lakh where such series of transactions have taken place within one month and the aggregate value of such

transaction exceeds ₹ 10 lakh. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

The Reserve Bank of India notification no. RBI/2016-17/245 DNBR (PD) CC.No.086/03.10.001/2016-17 Dated March 09, 2017

The Reserve Bank of India has issued above notification titled "Disbursal of loan amount in cash" as below:

"2. On review, and in line with the rules issued under Section 269SS and 269T of the Income Tax Act, 1961, the requirements under the Income Tax Act, 1961, as amended from time to time, would be applicable to all NBFCs with immediate effect. Currently, the relevant threshold under the Income Tax Act, 1961 is Rupees Twenty thousand.
3. Accordingly, para 37(iii)(b) of the above Master Directions stands deleted and the above provision stands incorporated at para 104 and 117, respectively, in the Master Directions referred above."

Amended respective paragraph reads as follows*:*

"104. Disbursal of loan amount in cash

Every NBFC shall ensure compliance with the requirements under sections 269SS and 269T of the Income Tax Act, 1961, as amended from time to time."

"117. Disbursal of loan amount in cash

Every NBFC shall ensure compliance with the requirements under sections 269SS and 269T of the Income Tax Act, 1961, as amended from time to time."

Master Direction dated September 29, 2016 on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

All NBFC-ND-SIs shall put in place a reporting system for frauds and fix staff accountability in respect of delays in reporting of fraud cases to the RBI. An NBFC-ND-SI is required to report all cases of fraud of ₹ 1 lakh and above, and if the fraud is of ₹ 100 lakh or above, the report should be sent in the prescribed format within three weeks from the date of detection thereof. The NBFC-ND-SI shall also report cases of fraud by unscrupulous borrowers and cases of attempted fraud.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-ND-SI, the auditor shall make a separate report to the Board of Directors of the company on, *inter alia*, examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to

continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on March 31 of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions ("MFI").

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-ND-SI is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc., NBS-7 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding, *inter alia*, asset liability mismatches and interest rate risk, quarterly report on branch information, and Central Repository of Information on Large Credits ("CRILC") on a quarterly basis as well as all Special Mention Account ("SMA-2") status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs ("Risk Management Directions"). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is a Non Performing Asset ("NPA"). While taking recourse to the sale of secured assets in terms of Section 13(4) of the SARFAESI Act, a SC/RC may itself acquire the secured assets, either for its own use or for resale, only if the sale is conducted through a public auction.

As per the SARFAESI (Amendment) Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issues by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a "without recourse" basis only.

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties. Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016. As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting, *inter alia*, any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

Foreign Investment Regulations

Foreign investment in Indian securities is regulated through the Consolidated Foreign Direct Investment ("**FDI**") Policy and Foreign Exchange Management Act, 1999 ("**FEMA**"). The government bodies responsible for granting foreign investment approvals are the concerned ministries/ departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the Department of Industrial Policy & Promotion ("**DIPP**") issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict FEMA will prevail.

The Consolidated FDI Policy consolidates the policy framework in place as on August 27, 2017. Further, on January 4, 2018, the RBI released the Master Direction on Foreign Investment in India. Under the approval route, prior approval from RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route.

II. Laws relating to employment

Shops and establishments regulations

The Company is governed by the shops and establishments laws as applicable in the various states where it has branches. These laws regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work, among other things.

Labour laws

The Company is required to comply with various labour laws, including the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972 and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

III. Intellectual property regulations

Trade Marks Act

The Trade Marks Act, 1999 (the "**Trademark Act**") governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also registerable under the Trademark Act.

An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the future. The registration of certain types of trade marks are absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration for such mark has to be obtained afresh.

While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off. In case of the latter, the plaintiff must, prior to proving passing off, first prove that he is the owner of the trademark concerned. In contrast, the owner of a registered trademark is prima facie regarded as the owner of the mark by virtue of the registration obtained.

SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to the Companies Act, the main provisions of our Articles of Association relating to, among others, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Capitalised terms used in this section have the meaning that has been to such terms in the Articles of Association of our Company.

CAPITAL AND INCREASE AND REDUCTION IN CAPITAL

4. *Amount of Capital*

The authorised share capital of the Company shall be as stated in Clause V of the Memorandum of Association of the Company.

5. *Increase of Capital by the Company, and how carried into effect*

The Company in General Meeting may, from time to time, increase the Capital by the creation of new Shares, such increase to be of such aggregate amount and to be divided into Shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Directors shall determine; and in particular, such Shares may be issued with differential rights as to Dividend, voting or otherwise or a preferential or qualified right to Dividends, and in the distribution of assets of the Company, and with a right of voting at General Meetings in conformity with the applicable provisions of the Act. Whenever the Capital has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.

6. *New Capital same as Existing Capital*

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

9. *Reduction of Capital*

The Company may subject to the provisions of the Act, from time to time by Special Resolution, reduce its Share Capital and any Capital Redemption Reserve Account and any Share Premium Account in any manner for the time being authorised by law, and in particular (without prejudice to the generality of the power), capital may be paid off on the basis that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

10. *Sub-division, consolidation and cancellation of shares*

The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution. Subject to the provisions of Section 61 of the Act, the company may, by ordinary resolution in its General Meeting —

(a) increase its authorized share capital by such amount as it thinks expedient;
(b) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
(c) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;
(d) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the memorandum;
(e) Cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

SHARE AND CERTIFICATES

12. *Register and Index of Members, Debenture holders, etc.*

(i) The Company shall cause to be kept and maintained the following registers namely:
(a) Register of members indicating separately for each class of equity and preference shares held by each member residing in India or outside India;
(b) Register of debenture-holders;
(c) Register of any other security holders; and
(d) including an index in respect of each of the registers to be maintained in accordance with Section 88 of the Act.

(ii) The Company shall be entitled to keep in any State or Country, outside India a foreign Register of Members resident in that State or Country.

13. *Shares to be numbered progressively and no share to be sub-divided*

The Shares in the Capital shall be numbered progressively according to their several denominations, and except in the manner hereinabove mentioned no share shall be sub-divided. Every forfeited or surrendered Share shall continue to bear number by which the same was originally distinguished.

14. *Further Issue of Capital*

Subject to Section 62 and other relevant provisions of the Act, where at any time, the Company proposes to increase its subscribed capital by the issue of further Shares, such Shares shall be offered –

(a) to persons who, at the date of the offer, are holders of equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid- up share capital on those Shares by sending a letter of offer subject to the following conditions, namely:—

i. the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than fifteen (15) days and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
ii. subject to the provisions of these Articles the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) of Article 14(a) herein above shall contain a statement of this right;
iii. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not dis- advantageous to the members and the Company;
iv. The notice referred above shall be dispatched through registered post or speed post or through electronic mode to all the existing Members at least three days before the opening of the issue.

(b) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act and any other law in force at the time, including the conditions set out under the employees' stock option regulations issued by the SEBI (as may be applicable); or

(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) hereinabove, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act and rules framed thereunder.

(d) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company.

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a special resolution passed by the Company in a General Meeting.

15. *Shares under control of Director*

Subject to the provisions of the Act and these Articles, the Shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

16. *Power of the Company in the General Meeting to issue shares*

In addition to, and without derogating from the power for that purpose conferred on the Board of Directors under these Articles, the Company in a General Meeting may, subject to the compliances of Sections 42 and 62 of the Act as the case may be and rules issued there under, determine to issue further Shares out of the authorized but unissued share capital of the Company and may determine that any Shares shall be offered to such Persons (whether Members of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par, as such General Meeting shall determine and with full power to give any Person (whether a Member of the Company or not) option to be exercisable at such times and for such consideration as may be directed by such General Meeting and subject to such other provisions whatsoever as the case may be, stipulated by the General Meeting, for the issue, allotment or disposal of any Share.

17. *Acceptance of shares*

Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall, for the purpose of these Articles, be a Member.

18. *Deposit and calls etc./to be a debt payable immediately*

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

20. *Share Certificate*

(a) Every Person whose name is entered as a Member in the Register of Members shall be entitled to receive within two (2) months after incorporation, in case of subscribers to the Memorandum of Association or after allotment or within one (1) month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

(i) one certificate for all his/her Shares without payment of any charges; or

(ii) several certificates, each for one or more of his/her Shares, upon payment of not more than one (1) rupee for each certificate after the first.

(b) Every member or allottee of shares shall be entitled without payment to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall specify the Shares to which it relates and the amount paid-up thereon, which shall be affixed in the presence of two Directors (or persons acting on behalf of the Directors under a power of attorney) and the Company Secretary or some other person appointed by the Board for the purpose, and two Directors or their attorneys and the Secretary or other person shall sign the share certificates, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing Director or a Whole time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.

(c) In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all such holders.

(d) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

23. *The first named of joint holders deemed sole holder*

If any share stands in the names of two or more persons, the person first named in the Register of Members shall as regards receipt of dividends or bonus or service of notices and all or any matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share and for all incidents.

24. *Company not bound to recognize any interest in share other than that of registered holder*

Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

NOMINATION OF SHARES

25. *Nomination of Shares*

(a) Every holder of shares in the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his/her shares in the Company shall vest in the event of his/her death.
(b) Where shares in the Company are held by more than one person jointly, the joint holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the shares of the Company shall vest in the event of death of all the joint holders.
(c) Notwithstanding anything contained in any other law for the time being in force or in disposition, whether testamentary or otherwise, in respect of the shares where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the shares in the Company, the nominee shall on the death of the member concerned, or on the death of the joint holders become entitled to all the rights in relation to such shares to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.
(d) Where the nominee is a minor, the holders of the shares concerned, can make the nomination to appoint in the manner prescribed under the Act, any person to become entitled to the shares concerned in the event of his/her death during the minority.

TRANSFER IN CASE OF NOMINATION

26. *Transfer in case of Nomination*

(a) Any person who becomes a nominee by virtue of the applicable provisions of the Act, upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either:
(i) to register himself as the holder of the share(s) or; or
(ii) to make such transfer of share(s), as the deceased member, could have made.
(b) If the person being a nominee, so entitled, elects to be registered as holder of the share(s) himself / herself, he / she shall deliver or send to the Company a notice in writing duly signed by him / her stating that the nominee concerned so elects and such notice shall be accompanied with death certificate of the deceased member.
(c) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were signed by that member.
(d) A person being a nominee, becoming entitled to a share / Debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he/she would be entitled if he /she was the registered holder of the shares / Debenture except that he / she shall not, before being registered as a member in respect of his/her shares/Debentures, be entitled in respect of it to exercise any right(s) conferredby membership in relation to meetings of the Company.
Provided that the Board may, at any time give notice requiring any such person to elect either to register himself / herself or to transfer the share(s)/Debenture(s), and if the notice is not acted upon by the nominee within ninety days, the Board may thereafter withhold payments of all dividends, bonuses or other moneys payable in respect of the share(s)/Debenture(s) until requirements of the notice have been

complied with.

DECLARATION OF BENEFICIAL INTEREST

27. *Declaration by person not holding beneficial interest in any Shares*

(a) Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such share, shall, if so required by the Act, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in the manner provided in the Act.

(b) A person who holds a beneficial interest in a share or a class of shares of the Company shall, if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of Members of the Company and such particulars as may be prescribed as provided in the Act.

(c) Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.

(d) Notwithstanding anything contained in the Act and Article 27 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration, a return in the prescribed form with the Registrar with regard to such declaration.

DEMATERIALISATION OF SECURITIES

28. *Dematerialisation of Securities*

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and offer the same in a dematerialised form in pursuance of the Depositories Act.

29. *Options for investors*

Every person subscribing to the Securities offered by the Company shall have the option to opt for Security certificates or to hold the Securities with a Depository. A person who is the Beneficial Owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act or any amendments thereto and the Company shall, in the manner and within the time prescribed, issue to such Beneficial Owner, the Certificate of Securities.

If a person opts to hold the securities with a Depository, the Company shall intimate such Depository, the particulars of allotment of Security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Security.

30. *Securities in Depositories to be in fungible form*

All Securities held by a Depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depositor in respect of the Securities held by it on behalf of the Beneficial Owners.

31. *Rights of Depositories And Beneficial Owner*

(a) Notwithstanding anything to the contrary contained in the Articles or any other law for the time being in force, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of the Security on behalf of the Beneficial Owner.

(b) Save as otherwise provided in (i) hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it.

(c) Every person holding Securities of the Company and whose name is entered as a Beneficial

Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his Securities held by a Depository.

33. *Transfer of Securities*

Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

34. *Allotment of Securities dealt with in a Depository*

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with in a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

35. *Distinctive numbers of securities held in a Depository*

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

36. *Register and Index of Beneficial Owners*

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

POWER OF THE COMPANY TO PURCHASE ITS OWN SECURITIES

37. *Funds of Company shall not be applied in purchase of shares of the Company*

None of the funds of the Company shall be applied in the purchase of any Shares of the Company and itself not give any financial assistance for or in connection with the purchase or subscription of any Shares in the Company or in its holding company save as provided by provisions of the Act.

38. *Power to purchase own Securities*

Notwithstanding anything contained in these Articles and in pursuance of the applicable provisions of the Act, the Company may, purchase/buy back its own Shares or other Securities as it may think necessary, subject to such limits, restrictions, terms and conditions and subject to such approvals, as may be specified under the applicable provisions of the Act and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 if applicable.

For the purpose of this Article, Securities shall have the same meaning as assigned to it in the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and includes hybrids.

UNDERWRITING AND BROKERAGE

39. *Commission for placing shares, debentures, etc.*

The Company may, subject to the applicable provisions of the Act, at any time pay a commission to any Person in consideration of his/her subscribing or agreeing to subscribe or such Person procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any Shares in or Debentures of the Company, but the rate of such commission shall not exceed the permissible rates under the provisions of the Act. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or Debentures or partly in the one way and partly in the other.

40. *Brokerage*

The Company may also on any issue of Shares or Debentures pay such brokerage as may be lawful.

CALLS

41. *Directors may make calls*

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.

Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

42. *Notice of Calls*

Each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his/her Shares.

43. *Calls to date from resolution*

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

44. *Directors may extend time*

The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members, who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.

47. *Calls to carry interest*

If any Members fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

48. *Sums deemed to be calls*

Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

49. *Proof on trial or suit for money due*

On the trial or hearing of any action or suit brought by the Company against any member or his representative for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due on the shares in respect of which money is sought to be recovered that the resolution making the call is duly recorded in the minute book, and that notice of which call was duly given to the member or his representatives and sued in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board

at which any call was made nor that the meeting at which any call was duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

50. *Partial payment not to preclude forfeiture*

Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, or any indulgence granted by Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

51. *Power of Company to accept unpaid share Capital although not called*

The Company may accept from any Member the whole or a part of the amount remaining unpaid on any Shares held by him, although no part of that amount has been called up, pursuant to and in accordance with the applicable provisions of the Act.

LIEN

53. *Company's lien on Shares/Debentures*

The Company shall have a first and paramount lien upon all the Shares and Debentures (other than fully Paid up Shares or Debentures) registered in the name of each Member or Debenture holder (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares or Debentures and no equitable interest in any Shares or Debentures shall be created except upon the basis and condition that in these Articles will have full effect. Any such lien shall extend to all Dividends or interest, as the case may be, from time to time declared or paid in respect of such Shares or Debentures. Unless otherwise agreed to, registration of a transfer of Shares or Debentures shall operate as waiver of the Company's lien, if any, on such Shares or Debentures.

The aforesaid lien of the Company shall also extend to shares held by the Directors with unlimited liabilities in respect of any liability which such of the Directors having unlimited liability, may be liable to pass.

54. *As to enforcing lien by sale*

For the purpose of enforcing such lien, the Board may sell the Shares or Debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares or Debentures and may authorize one of their number to execute a transfer thereof on behalf of and in the name of such Member or Debenture holder. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such Member or Debenture holder or their representatives and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen (14) days after such notice.

55. *Application of proceeds of sale*

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Shares or Debentures before the sale) be paid to the Persons entitled to the Shares or Debentures at the date of the sale.

FORFEITURE OF SHARES OR DEBENTURES

56. *If money payable on shares not paid, notice to be given to member*

If any Member or Debenture holder fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at anytime thereafter, during such time as the call or installment remains unpaid, give notice to him

requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

57. *Form of Notice*

The notice shall name a day (not being less than fourteen (14) days from the date of the notice) and a place on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the Shares or Debentures in respect of which the call was made or installment is payable, will be liable to be forfeited.

58. *In default of payment shares to be forfeited*

If the requirements of any such notice as aforesaid shall not be complied with, every or any Share or Debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include in the case of Shares, all Dividends declared or any other money payable in respect of the forfeited Share or Debenture and not actually paid before the forfeiture.

59. *Notice of forfeiture to a Member or Debenture holder*

When any Share or Debenture shall have been so forfeited, notice of the forfeiture shall be given to the Member or Debenture holder in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members or Register of Debenture holders but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

60. *Forfeited shares to be the property of the Company and may be sold etc.*

Any Share or Debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other Person, upon such terms and in such manner as the Board shall think fit.

62. *Effect of forfeiture*

The forfeiture of a Share or Debenture shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the Share or Debenture and all other rights incidental to the Share or Debenture, except only such of those rights as by these Articles are expressly saved.

63. *Evidence of forfeiture*

A declaration in writing that the declarant is a Director or Secretary and that a Share or Debenture has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of facts therein stated as against all Persons claiming to be entitled to the Share or Debenture.

64. *Validity of sale*

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares or Debentures sold and may cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold or the Register of Debenture holders in respect of Debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares or in the Register of Debenture holders in respect of such Debentures, the validity of the sale shall not be impeached by any Person and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively.

65. *Cancellation of share certificates in respect of forfeited shares*

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate originally issued in respect of the respective Shares or Debentures shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Members or Debenture holders) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a duplicate certificate in respect of the said Shares or Debentures to the Person entitled thereto.

66. *Power to annual forfeiture*

The Board may at any time before any Share or Debenture so forfeited shall have been sold, reallotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

67. *Register of Transfers*

The Company shall keep the "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share.

68. *Form of Transfer*

Shares in the Company may be transferred by an instrument in writing in the usual common form or in such other form as shall from time to time be approved by the Directors provided that if so required by the provisions of the Act, such instrument of transfer shall be in the form prescribed and shall be duly stamped and delivered to the Company within the prescribed period.

69. *Transfer form to be completed and presented to the Company*

The instrument of transfer complete with all details, duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the share must be delivered to the Company.

70. *Transfer Books and Register of Members when Closed*

The Board shall have power on giving seven days previous notice by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is situate to close the transfer books, Register of Members or Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient.

71. *Board may refuse to register transfer*

Subject to the provisions of Section 58 of the Act, the Board may, at its discretion decline to register or acknowledge any transfer of Share whether fully paid or not (notwithstanding that the proposed transferee be already a member), but in such case it shall within one month from the date on which the instrument of transfer was lodged with the Company, send to transferee and the transferor notice of the refusal to register such transfer, giving reasons for such refusal.

Registration of transfer of shares shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.

The Board may decline to recognize any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56;

(b) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of Shares.

72. *Notice of application when to be given*

Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

73. *Death of one or more joint holders of shares*

In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

74. *Title to Shares of deceased member*

The executors or administrators or holders of a succession certificate or the legal representative of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted court in India, provided that in case where the Board may in their absolute discretion think fit, may dispense with production of probate or letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary, and under the provisions of Article 77 hereto, register the name of any person who claims to be absolutely entitled to the Shares standing in the name of a deceased Member, as a Member.

75. *No transfer to infant etc.*

No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind.

76. *No transfer to more than three joint holders*

No share shall in any circumstances be transferred to more than three joint holders.

77. *Registration of persons entitled to shares otherwise than by transfer (Transmission Article)*

Subject to the provisions of these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of any female member or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing Probate or Letters of Administrations or Succession Certificate or such other evidence that he sustains the character in respect of which he proposes to act under the Article or of his title, as the Board thinks sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board, registered as such person, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an Instrument of Transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares. This Article is referred to in these Articles as "The Transmission Article".

78. *Persons entitled may receive dividend without being registered as member*

A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividend or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the share.

79. *Fee on Transfer or Transmission*

There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party, such sum as the Board may require. The Board, may, however, in its absolute discretion wholly or partly waive payment of the fee aforesaid generally or in the specific case or cases, as it may deem fit.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

81. *Shares may be converted into stock*

The Company in General Meeting may convert any paid-up shares into stock, and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations under which the shares from which the stock arose might have been transferred, as if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may any time reconvert any stock into paid-up shares of any denomination;

82. *Right of stockholders*

The holders of stock shall, according to the amount of stock held by them, have the same right, privilege and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets of winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

MEETING OF MEMBERS

88. *Annual General Meeting*

Subject to the provisions of the Act, the Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be called Extra Ordinary General Meetings. The Annual General Meeting shall be held within six months after the expiry of such financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a National holiday, and shall be held at the Office of the Company or at some other place within the city in which the Office of the Company is situated as the Board may think and determine and the notices calling the Meeting shall specify it as then Annual General Meeting. Every member, either in person or proxy, Director, and auditor of the Company and every trustee for the debenture holders of any debentures issued by the Company shall be entitled to receive notice and attend any General Meeting. At every Annual General Meeting of the Company, there shall be laid on the table the Directors' Report and audited financial statements, Auditors' Report (if not already incorporated in the audited financial statements) the proxy Register with proxies and the Register of Directors' shareholding which Register shall remain open and accessible during the continuance of the meeting.

89. *Directors may call Extra Ordinary General Meeting*

The Board of Directors may call an Extra Ordinary General Meetings whenever they think fit.

94. *Twenty-one clear days notice of meeting to be given*

At least Twenty-one clear days notice in writing or by electronic mode in the manner set out under the Act be given of every General Meeting, Annual or Extraordinary, and by whomsoever called, specifying the date, place and hour of meeting, and the general nature of the business to be transacted thereat to such

persons entitled to receive notice from the Company; Provided that in the case of all General Meeting(s), if the consent accorded by members constituting not less than 95 percent of the total paid up share capital of the Company and eligible to vote in writing or by electronic mode, a General meeting may be convened by a shorter notice in writing or by electronic mode; In the case of an Annual General Meeting, if any business other than (i) the consideration of the audited financial statements and reports of Board and the Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing the remuneration of the Auditors, is to be transacted and in the case of any other meeting in any event, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature and extent of the interest, if any, therein of every Director, Manager and other Key Managerial Personnel and their relatives respectively. In every notice there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a Member of the Company. Where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company of every Promoter, Director, Manager and Key Managerial Personnel, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 2 per cent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any documents by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

95. *Meetings by Video Conference, E-Voting*

Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to the provisions of the Act, rules, regulations, circulars, guidelines, notifications, amendments, re- enactments, etc. as may be specified by the Ministry of Corporate Affairs (MCA), Securities & Exchange Board of India (SEBI), or any competent authority, if any, from time to time as may be applicable to the Company, allow the Member(s) of the Company to participate in the General Meeting(s) of the Members through any type of electronic mode like e-voting, video conferencing, etc. and the Members so participating shall be deemed to be present in such General Meeting(s) for the purpose of the quorum, voting, recording and all other relevant provisions in this regard.

For conducting the aforesaid meetings, the Company shall follow the procedure specified under the applicable laws for the time being in force and the rules, regulations, circulars, notifications, guidelines, etc. issued / to be issued from time to time by MCA, SEBI or any other competent authority(ies) in this regard.

96. *Omission to give notice not to invalidate resolution passed*

The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt of any notice by any Member/eligible person thereof shall not invalidate the proceedings and resolution passed at such meeting.

98. *Quorum at General Meeting*

Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103 of the Act. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with the applicable provisions of the Act.

99. *If quorum not present Meeting to be dissolved or adjourned*

If at the expiration of half an hour from the time appointed for holding of general meeting of the Company, a valid quorum shall not be present, the meeting, if convened by or upon the requisition of members, shall stand cancelled, but in every other case it shall stand adjourned to the same day, time and place in the next week, or to such other date, time and place as the Board may determine provided that in case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than three day's notice to the members either individually or by publishing an advertisement in newspapers as prescribed in the Act. If at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called. No business

shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

100. *Chairman of General Meeting*

The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting, then Directors present at the meeting may mutually elect any one amongst themselves to act as the Chairman of such General Meeting or if the Directors present fail to elect Chairman amongst themselves then the Members present shall elect one of the Directors present as the Chairman or if all the Directors present decline to take the Chair, then the members present shall elect one of their Members to be the Chairman.

102. *Chairman with consent may adjourn meeting*

The Chairman with the consent of the meeting when quorum is present, may adjourn any meeting from time to time and from place to place in the city or town in which the office of the Company is for the time being situate, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

103. *Questions at General Meeting how decided*

At any General Meeting a resolution put to the vote at the meeting shall, unless a poll is demanded, or if voting is carried out electronically in accordance with the provisions of the Act, be decided on a show of hands. Such voting in a General meeting or by postal ballot shall also include electronic voting as permitted by applicable laws from time to time.

A declaration by the Chairman that a resolution has on a show of hands, been carried unanimously, or by a particular majority or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

104. *Chairman's casting vote*

In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll, if any, shall be entitled to have a second or casting vote in addition to the vote or votes to which he may be entitled as a member.

VOTES OF MEMBERS

109. *Members in Arrears not to vote*

No member shall be entitled to vote either personally or by proxy or electronically at any General Meeting or meeting of a class of members either upon a show of hands or by electronic means as may be prescribed under the Act, or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, or has exercised, any right of lien.

110. *Number of votes to which member is entitled*

Subject to the provisions of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon voting by electronic means and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the Paid-up equity share capital of the Company.

111. *Voting right may be exercised by electronic means*

A Member may exercise his vote on resolution to be considered at General Meeting by electronic means

in accordance with the provisions of the Act.

113. *How members not compos mentis and minor may vote*

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any Member is a minor, the vote in respect of his Share or Shares shall be by his guardian, or any one of his guardians; if more than one, to be selected in case of dispute by the Chairman of the General Meeting.

114. *Votes of joint members*

If there be joint registered holders of any Shares, any one of such persons may vote at any General Meeting or may appoint another person (whether a Member or not) as his proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the General Meeting and if more than one of such joint holders be present at any General Meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such Shares, but the other of the joint holders shall be entitled to be present at the General Meeting. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.

115. *Voting in person or by proxy*

Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with the applicable provisions of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.

116. *Votes in respect of shares of deceased and insolvent member*

Any person entitled under the Transmission Article to transfer any Share, shall not be entitled to be present; or to vote at any meeting either personally or by proxy in respect of such Shares, unless a least forty eight (48) hours before the time for holding the meeting or adjourned meeting as the case may be; at which he proposes to be present and to vote, he shall have satisfied the Directors of his right to transfer such Shares (as to which the opinion of the Directors shall be final) and give such indemnity, if any, as the Directors may require or the Directors shall have provisionally admitted his right to vote at such meeting in respect thereof.

117. *Appointment of Proxy*

Every proxy (whether a member or not) shall be appointed by an instrument in writing signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be signed by an Officer or an attorney duly authorized by it, and any guardian, legal representative or attorney may appoint such proxy. The proxy so appointed shall not have right to speak in the meeting.

118. *Proxy either for specified meeting or for a period*

An instrument of Proxy may appoint a proxy either for the purpose of a particular meeting specified in the Instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the Instrument and every adjournment of any such meeting.

119. *Deposit of Instrument of Appointment*

The Instrument appointing a proxy and a power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Office not later than forty - eight hours before the time for holding the meeting at which the person named in the Instrument proposes to vote, and in default the Instrument of Proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its

execution.

120. *Form of Proxy*

An instrument appointing a proxy shall be in such form as may be prescribed by the Act from time to time.

121. *Proxy to vote only on a poll*

A Member present by proxy at a General Meeting shall be entitled to vote only on a poll.

123. *Validity of votes given by proxy notwithstanding death of members*

A vote given in accordance with the terms of an Instrument of Proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any power of Attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.

125. *Chairman of the Meeting to be the judge of validity of any votes*

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

126. *Minute Books of General Meeting*

(a) The Company shall cause minutes of all proceeding of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
(b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.
(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
(e) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.
(f) Nothing herein contained shall require or to be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (i) is or could reasonably be regarded as defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interest of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
(g) Any such minutes shall be evidence of the proceedings recorded therein.
(h) The book containing the minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.

DIRECTORS

127. *Number of Directors*

Subject to the provisions of the Act, the number of Directors shall not be less than three (3) and unless otherwise determined by the Company in general Meeting not more than fifteen 915). The Company may appoint more than fifteen (15) directors after passing a special resolution.

128. *J.M. Financial Limited's right to nominate non-retiring directors*

(a) So long as JMFL holds not less than twenty-six percent (26%) of the issued and Paid up Capital of the Company, JMFL shall have the right to nominate up to 1/3rd of the total number of Directors as Directors not liable to retire by rotation and to remove all or any of such directors so nominated from office and on a vacancy arising in such office from any cause whatsoever, including resignation, death or removal of persons so terminated, to appoint another or others in the vacant place(s).
(b) Any appointment or removal of a director under this article shall be by notice, in writing, addressed to the Company under the hands of the Chairman, Managing Director or Secretary of JMFL and shall take effect forthwith upon such notice being delivered to the Company.
(c) The right of nomination of directors conferred on JMFL under this Article shall not be determined by reason of any change in the name or style of JMFL or any body corporate in which JMFL has amalgamated or merged."

129. *Debenture Director*

If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures, debenture stock of the Company, that trustees or any person(s) shall have power to nominate a Director of the Company, then in the case of such issue of debentures, the person(s) having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as "Debenture Director". A Debenture Director may be removed from Office at any time by the trustees or such person(s) in whom for the time being power is vested under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation. The trust deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

130. *Appointment of Alternate Directors*

The Board of Directors may appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate Director for a Director (hereinafter called the "Original Director") during his absence for a period of not less than three months from India provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. An alternate Director appointed shall not hold Office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate Office if and when the Original Director returns to India. If the terms of Office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for the automatic re-appointment of a retiring Director in default of another appointment shall apply to the Original Director and not to the alternate Director.

131. *Directors' power to fill casual vacancy*

Subject to the provisions of Section 161 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold Office only upto the date upto which the Director in whose place he is appointed would have held Office if it had not been vacated by him.

132. *Appointment of Additional Directors*

Subject to the provisions of Section 161 of the Act, the Director shall have power at any time and from time to time to appoint a person or persons as additional director(s) but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 127. Any such additional director shall hold Office only upto the date of the next Annual General Meeting. Provided that any person, who fails to get appointed at a General Meeting, shall not be eligible for appointment as an additional director.

133. *Nominee Directors*

The Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement. Any deed for securing loans by the Company from financial corporations may be so arranged to provide for the appointment from time to time by the lending financial institution of some person or persons to be a director or directors of the Company and may empower such lending financial corporation from time to time to remove and re-appoint any Director so appointed. A Director appointed under this Article is herein referred as "Nominee Director" and the term "Nominee Director" means any director for time being in office under this Article. The deed aforesaid may contain ancillary provisions as may be arranged between the Company and the lending institution and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

134. *Appointment of independent directors*

The Company shall appoint such number of directors as independent directors as may be required under Section 149 of the Act and in pursuance of the provisions of any law for the time being in force. The persons to be appointed as independent director shall hold such qualifications and shall comply with such conditions as may be prescribed under the Act and any other law for the time being in force.

135. *Appointment of Women Director*

The Company shall appoint such number of women directors as may be required under the provisions of the Act and any other law for the time being in force.

136. *Qualification Shares*

A Director of the Company shall not be bound to hold any qualification shares.

137. *Remuneration of Directors*

Subject to the provisions of Section 197 and Schedule V to the Act, the remuneration payable to the Director of the Company shall be as hereinafter provided:

(a) Subject to the provisions of the Act, the Managing Director(s) and Whole-time Director(s), may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(b) Subject to the provisions of Section 197 and Schedule V and other applicable provisions to the Act read with these Articles, the Board or its Committee shall have powers to determine and pay such remuneration to a Director for his services, whole time or part time, to the Company or for services of a professional or other nature rendered by him as may be determined by the Board or its Committee. If any Director being willing, shall be called upon to perform extra services or make any special exception in going to or residing at a place other than the place where Office of the Company is situate or where the Director usually resides, or otherwise in the Company's business or for any of the purposes of the Company, then subject to the provisions of the Act, the Board or its Committee shall have power to pay to such Director such remuneration as may be determined by the Board.

(c) The fees payable to a Director for attending a meeting of the Board or a committee of the Board or a General Meeting shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed by Central Government pursuant to the provisions of the Act, from time to time.

138. *Travelling expenses incurred by Director or by Director going out on Company's business*

The Board may allow and pay to any Director such sum as the Board may consider fair compensation or for travelling, boarding, lodging and other expenses in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with business of the Company.

139. *Directors may act notwithstanding vacancy*

The continuing Directors may act notwithstanding any vacancy in their Board but subject to the provisions of the Act if and so long as their number is reduced below the minimum number fixed by Article 127 hereof the continuing Directors not being less than two may act for the purposes of filling up vacancies and increasing the number of Directors to that number or summoning a General Meeting but not for any other purpose.

141. *Directors may contract with Company*

Subject to the provisions of Section 185 and 188 of the Act, a Director shall be permitted to contract with the Company for any purpose and in any capacity whatsoever including either as vendor, purchaser, agent, broker, underwriter of Shares and Debentures of the Company or otherwise, and any such contract, or any contract or arrangement entered into by or on behalf of the Company and such interest Director shall not be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relationship thereby established. It is however mandatory for the Director to have declared the nature of his/her interest in such contract and the same must be disclosed by him/ her as provided hereunder.

144. *Interested Directors not to participate or vote in Board's proceedings*

A Director shall not take any apart in the discussion of or vote on any contract or arrangement entered into, or to be entered into by or on behalf of the Company, if he is in any way directly or indirectly, concerned or interested in the contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be void. Nothing contained herein shall apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid up share capital in the other Company.

145. *Register of Contracts in which Directors are interested*

(a) The Company shall keep a Register in accordance with the provisions of the Act, in which shall be entered separately, particulars of all contracts or arrangements in which the Directors interested. The Registers shall include details of the contracts and name of parties and such other details as may be required under the prevailing provisions of the Act.
(b) The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the firms and bodies corporate of which notice has been given by him General Notice of interest.
(c) The Registers as aforesaid shall be kept at the registered office of the Company and they shall be open to inspection at such office and extracts may be taken from any of them and copies thereof may be required by any Member of the Company to the same extent in the same manner and on payment of the same fees as in case of the Register of Members.

148. *Retirement and rotation of Directors*

Subject to the provisions of Section 152 of the Act, at every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from Office. Independent, Debenture Directors and Nominee Directors shall not be subject to retirement under this clause and shall not be taken into account in determining the Directors liable to retire by rotation.

150. *Eligibility for re-election*

A retiring Director shall be eligible for re-appointment and shall act as a Director throughout the meeting at which he retires.

151. *Company to appoint successors*

The Company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring director or some other person thereto.

152. *Provision in default of appointment*

(a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless :-

(i) at that meeting or at the previous meeting resolution for the re- appointment of such Director has been put to the meeting and lost;

(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board expressed his unwillingness to be so re-appointed;

(iii) he is not qualified or is disqualified for appointment;

(iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or

(v) Section 162 is applicable to the case.

153. *Company may increase or reduce the number of Directors*

Subject to relevant provisions of the Act, the Company may by Members approval, from time to time increase or reduce the number of Directors and the Company may subject to the provisions of the Act and these Articles remove any Director before the expiry of his period of office and appoint another qualified person instead. The person so appointed shall hold Office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

154. *Notice of candidature for office of Directors*

(a) Subject to the provisions of the Act and these Articles any person who is not a retiring director shall be eligible for appointment to the office of the Director at any General Meeting if he or some Member intending to propose him has, at least fourteen (14) clear days before such meeting, left at the registered office of the Company, a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office as the case may be, along with a deposit of such sum as may, from time to time, be prescribed under the Act as security deposit, which shall be refundable only if the candidate in respect of whom the deposit is made has duly been elected as Director.

(b) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Sub- Clause (1) of this Article signifying candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, his consent in writing to act as a Director if appointed.

155. *Register of Directors and key managerial personnel and their shareholding etc., and notification of change to Registrar*

The Company shall keep at its Office a Register containing the particulars of its Directors and Key Managerial Personnel in accordance with the provisions of Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

PROCEEDINGS OF THE BOARD OF DIRECTORS

156. *Meeting of Directors*

The Directors may meet together as a Board for the despatch of business from time to time, and shall so meet at least once in every four months and at least four such meetings shall be held in every year. The

Directors may adjourn and otherwise regulate their meetings as they think fit.

157. *Meetings through video conference*

Pursuant to and in compliance of applicable provisions of Act, rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs, SEBI or any competent authority, the Company may allow the Director(s) of the Company to participate in the Board Meeting(s) or Committee Meeting(s) through video conferencing and other valid audio visual medium in compliance of provisions of the Act and the Directors so participating shall be deemed to be present in such Meeting(s) for the purpose of the quorum, voting, recording and all other relevant provisions in this regard.

158. *Notice of Meetings*

Subject to provisions of the Act, notice of not less than seven days of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the Company and shall be sent by hand delivery or by post or through electronic means. The meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one Independent Director of the Company shall be present at the meeting. In the event, any Independent Director is not present at the meeting called at shorter notice, the decision taken at such meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director.

159. *Quorum*

Subject to the provisions of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, present in person or attending through video conferencing, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

160. *Adjournments of meeting for want of quorum*

If a meeting of the Board of Directors cannot be held for want of quorum, then the meeting shall stand adjourned until such date and at such time and place as the Chairman may appoint and in default of such appointment to the same day in the next week at the same time and place or if that day is a national holiday till the next succeeding day which is not a national holiday, at the same time and place.

161. *When meeting to be convened*

A Director may at any time or Company Secretary shall, as and when directed by the Directors to do so, convene a meeting of the Board by giving a notice in writing to every other Director.

162. *Chairman*

The Board may from time to time elect one of their members to be the Chairman of the Board and may determine the period for which he is to hold the office. If at any meeting of the Board, the Chairman is not present at a time appointed for holding the same, the Directors present shall choose one of their members to be the Chairman of such meeting.

163. *Questions at Board meeting how to be decided (casting vote)*

Questions arising at any meeting of the Board shall be decided by a majority of the votes of the Directors present thereat and in the case of an equality of votes, the Chairman shall have a second or casting vote.

164. *Power of Board Meeting*

A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all

or any of the authorities, powers and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.

165. *Directors may appoint committee*

Subject to the provisions of the Act, the Board may delegate any of their powers to committees of the Board consisting of such number of its body as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

The Company shall as and when required under provisions of the Act and any other law for the time being in force constitute such committees to discharge such functions as may be prescribed from time to time.

169. *Minutes of proceedings of Board of Directors and Committees to be kept*

(a) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of each such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.

(b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(e) All appointment of Officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(f) The minutes shall also contain :-
(i) the names of the Directors present in the meeting; and
(ii) in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.

(g) Nothing contained in sub-clauses (a) to (f) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting :-
(i) is, or could reasonably be regarded as defamatory of any person;
(ii) is irrelevant or immaterial to the proceedings; or
(iii) is detrimental to the interest of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.

(h) Minutes of the meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

170. *Powers of Directors*

The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other act or by the Memorandum or Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, the provisions of the Act, or any other act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have

been valid if that regulation had not been made. Provided that the Board shall not exercise the following powers except with the consent of the Company accorded by a special resolution in General Meeting:

(a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings. The terms "Undertaking" and "substantially the whole of the undertaking" shall mean as defined in the Act.
(b) to remit, or give time for the repayment of, any debt due from a Director;
(c) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
(d) to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its Paid-Up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business. The term "temporary loans" shall mean as defined in the Act.
(e) contribute to bona fide charitable and other funds, any amounts the aggregate of which will, in any financial year, exceed five per cent of its average net profit as determined in accordance with the provisions of Section 198 of the Act during the three immediately preceding financial years.

DIVIDENDS

181. *Division of profits*

The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of capital paid up or credited as paid up on the shares held by them respectively.

182. *The Company in General Meeting may declare a dividend*

Subject to the provisions of Section 123 of the Act, the Company in General Meeting may declare dividends to be paid to Members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

185. *Dividend out of reserves*

Where, owing to inadequacy or absence of profits in any year, the Company proposes to declare Dividend out of the accumulated profits earned by the Company in previous years and transferred by it to the reserves, such declaration of Dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf, and where any such declaration is not in accordance with such rules, such declaration shall not be made except with the previous approval of the Central Government.

187. *Dividends in proportion to amount paid-up*

All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during which any portion or portions of the period in respect of which the dividend is paid up; but if any share is issued on the terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

188. *Retention of Dividends until completion of transfer of shares*

The Board may retain the dividends payable upon shares in respect of which any person is entitled to become a Member, or which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares, or shall duly transfer the same and until such transfer of shares has been registered by the Company, notwithstanding anything contained in any other provision of the Act or the Articles, the provisions of Section 126 of the Act, shall be applicable.

189. *Dividend etc., to joint holders*

Only the person whose name stands first in the Register of Members as one of the joint holders may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

190. *No member to receive dividend whilst indebted to the Company and Company's right to reimbursement there out*

No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

191. *Transfer of shares must be registered*

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

192. *In case of transfer not been registered*

Where any instrument of transfer of Shares has been delivered to the Company for registration and the transfer of such Shares has not been registered by the Company, it shall:

(a) transfer the Dividend in relation to such Shares to the special account referred to in Article 195 unless the Company is authorised by the registered holder of such Shares in writing to pay such Dividend to the transferee specified in such instrument of transfer, and
(b) keep in abeyance in relation to Shares any offer of rights shares under the applicable provisions of the Companies Act and any issue of fully paid bonus Shares pursuant to the applicable provisions of the Act.

194. *Notice of Dividend*

Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

195. *Unclaimed dividend*

(a) Subject to applicable provisions of the Act, if the Company has declared a dividend but which has not been paid or claimed or dividend warrant or such other instrument has not been posted within 30 days from the date of declaration to any member entitled to the payment of the dividend, the Company shall within seven days from the date of the expiry of the aforesaid 30 days period transfer the total amount of dividend which remains unpaid or unclaimed to a Special Account to be opened in that behalf in any scheduled Bank called Unpaid Dividend Account.
(b) No unclaimed dividend shall be forfeited by the Board.

196. *No interest on dividends*

No unpaid dividend shall bear interest against the Company.

197. *Dividend and call together*

Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the calls.

CAPITALISATION OF RESERVES

Capitalisation

198. (a) The Company in General Meeting may, upon the recommendation of the Board, resolve:

(i) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards—

(i) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;

(ii) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully Paid-Up, to and amongst such Members in the proportions aforesaid;

(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);

(iv) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of un-issued Shares to be issued to Members of the Company as fully paid bonus Shares;

(v) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

199. (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid Shares, if any; and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have power—

(i) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares becoming distributable in fractions; and

(ii) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

(c) Any agreement made under such authority shall be effective and binding on such Members.

(d) A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax be distributed among the members on the basis that they receive the same as Capital.

ACCOUNTS

200. *Books of Account to be kept*

(i) The Company shall prepare and keep at its Office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting:

Provided that the Company may keep such books of account or other relevant papers in electronic mode as per provisions of the Act and Rules.

The Company shall preserve in good order the Books of Account relating to the period of not less than eight years preceding the current year, together with the vouchers relevant to any entry in such Books of Account.

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide, and when the Board may decide the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

(ii) If the Company shall have branch office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarized returns, made up to date at intervals of not more than three months, shall be sent by the branch office of the Company to its Office or other place in India, as the Board thinks fit where the main books of the Company are kept.

(iii) The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions. The Books of Account and other books and papers shall be open to inspection by any Director during business hours.

201. *As to inspection of accounts or books by members*

The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the Company or, any of them, shall be open to the inspection of Members not being Directors and no Member (not being Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorized by the Board.

204. *Accounts to be audited*

Auditors shall be appointed and their rights and duties regulated in accordance with relevant provisions of the Act.

SECRECY CLAUSE

215. *Secrecy Clause*

(a) Every director, manager, auditor, treasurer, trustee, Member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company, shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transaction and affairs of the Company with the customers and the state of the accounts with individuals and in realization thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.

(b) No Member shall be entitled to visit or inspect the Company's works without the permission of the Directors or the Managing Director or to require discovery of any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors or the Managing Director it will be inexpedient in the interest of the Members of the Company to communicate to the public.

INDEMNITY AND RESPONSIBILITY

216. *Directors and other right to indemnity*

Every officer, Director and key managerial personnel of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

217. *Directors and others not responsible for acts of others*

Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, omissions, neglects, defaults, malafide acts, error of judgment or oversight of any other Director or officer or employee which shall happen in the execution of the duties of their office or for any loss or expenses suffered by the Company through insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising

from the bankrupt, insolvency, or tortious act of any person, company or corporation, with whom any moneys, securities or effects' shall be entrusted or deposited.

218. *General Power*

Whenever in the Act, it has been provided that the Company shall have any right privileges or authority or that the Company could carry out any transaction only if the Company is authorized by its Articles, then and in that case this Article thereto authorizes and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

WINDING UP

219. *Liquidator may divide assets in specie*

The Liquidator on any winding up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any Preference Share Capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction shall think fit.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company situated at 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai, Maharashtra 400 025, India from 10.00 A.M. to 5.00 P.M. on any Working Day during which the issue is open for public subscription under the respective Tranche Prospectus

A. ***Material Contracts***

1. Issue Agreement dated January 24, 2019 between the Company, A.K. Capital Services Limited, Trust Investment Advisors Private Limited and JM Financial Limited.

2. Registrar Agreement dated January 24, 2019 executed between the Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated January 24, 2019 executed between the Company and the Debenture Trustee.

4. Public Issue Account Agreement dated [●] between our Company, the Registrar, the Public Issue Account Bank and the Lead Managers.

5. Lead Brokers Agreement dated [●] between our Company, the Lead Brokers and the Lead Managers.

6. Tripartite agreement between the Company, Registrar to the Issue and CDSL dated July 20, 2016.

7. Tripartite agreement between the Company, Registrar to the issue and NSDL dated July 27, 2017.

B. ***Material Documents***

1. Certificate of incorporation of the Company dated July 10, 1984, issued by the RoC.

2. Memorandum and Articles of Association of the Company.

3. The certificate of registration No. B-13.00178 dated March 02, 1998 issued by Reserve Bank of India u/s 45 IA of the RBI Act, 1934.

4. Credit rating letter dated January 03, 2019 from CRISIL granting credit ratings to the NCDs.

5. Credit rating letter dated January 09, 2019 from ICRA granting credit ratings to the NCDs.

6. Copy of the resolution passed by the Board of Directors of the Company dated October 24, 2018 approving the Issue.

7. Copy of resolution passed by the NCD Public Issue Committee dated February 01, 2019 approving the Draft Shelf Prospectus.

8. Copy of the resolution passed by the shareholders of the Company on October 25, 2018, approving the overall borrowing limit of Company.

9. Consents of the Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Lead Managers, the Registrar to the Issue, Legal Advisor to the Issue, Credit Rating Agencies, the Debenture Trustee, lenders of the Company, CRISIL as an industry expert for inclusion of the report titled "NBFC Coverage", and Arun Arora & Co. as independent chartered accountant for inclusion of the statement of tax shelter, to include their names in this Draft Shelf Prospectus.

10. The consent of the Statutory Auditors for inclusion of: (a) their names as the Statutory Auditors, (b) examination reports on Reformatted Summary Financial Statements in the form and context in which they appear in this Draft Shelf Prospectus; (c) the statement of tax benefits available to the debenture holders; and (d) inclusion of the statement of capitalisation, in the form and context in which

they appear in this Draft Shelf Prospectus.

11. The consents of the: **(a)** JMFCL Auditors for inclusion of their names as the statutory auditors of JMFCL and inclusion of the JMFCL Standalone Financial Statements; **(b)** Astute Auditors for inclusion of their names as the statutory auditors of Astute Investments and inclusion of the Astute Financial Statements; **(c)** JMFSL Auditors for inclusion of their names as the statutory auditors of JMFSL and inclusion of the JMFSL Standalone Financial Statements; and **(d)** JMFHL Auditors for inclusion of their names as the statutory auditors of the Subsidiary and inclusion of the JMFHL Standalone Financial Statements and the JMFHL Limited Review Financial Results.

12. Examination report of the Statutory Auditors dated January 31, 2019 in relation to the Reformatted Standalone Financial Information for the financial years ended March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 included herein.

13. Examination report of the JMFHL Auditors dated January 28, 2019 in relation to the reformatted standalone statement of assets and liabilities and the related standalone statement of profit and loss and cash flow statement of JMFHL as at and for the years ended March 31, 2017 and 2018 as examined by the JMFHL Auditors.

14. Examination report of the JMFSL Auditors dated January 28, 2019 in relation to the reformatted standalone statement of assets and liabilities and the related standalone statement of profit and loss and cash flow statement of JMFSL as at and for the years ended March 31, 2014 and 2015 as examined by the JMFSL Auditors.

15. Examination report of the JMFCL Auditors dated January 28, 2019 and the reformatted standalone statement of assets and liabilities and the related standalone statement of profit and loss and cash flow statement of JMFCL as at and for the years ended March 31, 2014 and 2015, as examined by the JMFCL Auditors.

16. Examination report of the Astute Auditors dated January 28, 2019 and the reformatted standalone statement of assets and liabilities and the related standalone statement of profit and loss and cash flow statement of Astute Investments as at and for the year ended March 31, 2015, as examined by the Astute Auditors.

17. Statement of tax benefits dated January 31, 2019 issued by our Statutory Auditors.

18. Annual Reports of the Company for the last five Financial Years and Limited Review Financial Statements.

19. Limited review report dated January 18, 2019 in relation to the Limited Review Financial Statements.

20. Limited review report dated January 21, 2019 in relation to the unaudited standalone financial results for the nine months period ended December 31, 2018 of JMFHL.

21. Due Diligence certificate dated [●] filed by the Lead Managers with SEBI.

22. In-principle approval, dated [●] for the Issue issued by the BSE.

FINANCIAL INFORMATION

S.No.	Particulars	Page No.
1.	Limited review report dated January 18, 2019 and unaudited standalone financial results for the nine months period ended December 31, 2018 of our Company.	246
2.	Examination report of the Statutory Auditors dated January 31, 2019 and the reformatted standalone statement of assets and liabilities and the related standalone statement of profit and loss and cash flow statement of our Company as at and for the years ended March 31, 2014, 2015, 2016, 2017 and 2018 as examined by the Statutory Auditors of our Company.	251
3.	Limited review report dated January 21, 2019 and unaudited standalone financial results for the nine months period ended December 31, 2018 of JMFHL.	293
4.	Examination report of the JMFHL Auditors dated January 28, 2019 and the reformatted standalone statement of assets and liabilities and the related standalone statement of profit and loss and cash flow statement of JMFHL as at and for the years ended March 31, 2017 and 2018 as examined by the JMFHL Auditors.	298
5.	Examination report of the JMFSL Auditors dated January 28, 2019 and the reformatted standalone statement of assets and liabilities and the related standalone statement of profit and loss and cash flow statement of JMFSL as at and for the years ended March 31, 2014 and 2015 as examined by the JMFSL Auditors.	320
6.	Examination report of the JMFCL Auditors dated January 28, 2019 and the reformatted standalone statement of assets and liabilities and the related standalone statement of profit and loss and cash flow statement of JMFCL as at and for the years ended March 31, 2014 and 2015, as examined by the JMFCL Auditors.	343
7.	Examination report of the Astute Auditors dated January 28, 2019 and the reformatted standalone statement of assets and liabilities and the related standalone statement of profit and loss and cash flow statement of Astute Investments as at and for the year ended March 31, 2015, as examined by the Astute Auditors.	364

Khimji Kunverji & Co
(Registered)
Chartered Accountants

Limited Review Report

The Board of Directors
JM Financial Products Limited
Mumbai

INTRODUCTION

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of **JM Financial Products Limited** ('the Company') for the quarter and nine months ended December 31, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on January 18, 2019. Our responsibility is to issue a report on the Statement based on our review.

SCOPE OF REVIEW

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

CONCLUSION

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards i.e. Ind AS notified under Section 133 of Companies Act , 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

4. The financial results for the comparative quarter and period ended December 31, 2017 included in the Statement are based on the published financial results for the said quarter and period prepared in accordance with the then applicable Accounting Standards and other accounting principles generally accepted in India as reviewed by Deloitte Haskins & Sells LLP, Chartered Accountants, ('the erstwhile Auditors'), vide limited review report dated January 15, 2018 as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been reviewed by us.

Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinistone Road, Mumbai 400 013, India
T: +91 22 6143 7333 E: info@kkc.in W: www.kkc.in
Suite 52, Bombay Mutual Building, Sir Phirozshah Mehta Road, Fort, Mumbai 400 001, India

KHIMJI KUNVERJI & CO CHARTERED ACCOUNTANTS MUMBAI

5. This report is issued at the request of the Company, to facilitate consolidation of its financial results with those of its parent, namely JM Financial Limited and in compliance pursuant to Regulation 51 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations") and should not be circulated to any other person for any other purpose without our prior written consent.

For and on behalf of

Khimji Kunverji & Co
Chartered Accountants
Firm Registration Number: 105146W



Place: Mumbai
Date: January 18, 2019

Hasmukh B Dedhia
Partner (F-33494)

JM FINANCIAL

JM FINANCIAL PRODUCTS LIMITED

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED DECEMBER 31, 2018

(Rupees in Lakh)

Sr. No.	Particulars	Quarter Ended			Nine Month Ended	
		31.12.2018 Unaudited	30.09.2018 Unaudited	31.12.2017 Unaudited	31.12.2018 Unaudited	31.12.2017 Unaudited
1	**Income**					
(a)	**Revenue from Operations**					
(i)	Interest on loans	22,145.20	23,458.61	21,050.81	65,995.03	62,710.17
(ii)	Fees and commission Income	188.24	310.85	476.07	3,552.68	1,148.84
(iii)	Income from trading in debt instruments (net)	234.85	94.35	112.97	381.21	537.32
(iv)	Profit on sale of investments	1,483.99	758.38	999.20	3,060.01	2,251.25
	Total Revenue from operations	**24,052.28**	**24,622.19**	**22,639.05**	**72,988.93**	**66,647.58**
(b)	**Other Income**	**2.24**	**24.38**	**5.23**	**36.18**	**29.81**
	Total Income	**24,054.52**	**24,646.57**	**22,644.28**	**73,025.11**	**66,677.39**
2	**Expenses**					
(a)	Finance costs	13,974.46	13,716.05	13,337.19	39,417.07	36,246.91
(b)	Employee benefits expense	1,389.30	1,505.75	1,292.09	4,578.39	3,893.64
(c)	Provision for loans and advances	24.29	953.58	(566.78)	1,337.20	766.84
(d)	Depreciation expense	60.37	43.43	60.74	147.37	184.29
(e)	Operating and other expenses	1,084.72	1,115.43	869.22	3,080.42	2,687.61
	Total expenses	**16,533.14**	**17,334.24**	**14,992.46**	**48,560.45**	**43,779.29**
3	**Profit before tax (1-2)**	**7,521.38**	**7,312.33**	**7,651.82**	**24,464.66**	**22,898.10**
4	**Tax expenses**					
(a)	Current tax	2,710.00	2,970.00	2,730.00	8,940.00	8,530.00
(b)	Deferred tax	(55.39)	(388.13)	(66.04)	(322.32)	(551.65)
	Total tax expenses	**2,654.61**	**2,581.87**	**2,663.96**	**8,617.68**	**7,978.35**
5	**Net Profit for the period (3-4)**	**4,866.77**	**4,730.46**	**4,987.86**	**15,846.98**	**14,919.75**
6	**Other Comprehensive Income**					
	Items that will not be reclassified to profit or loss					
	- Remeasurment of employee defined benefit obligation	0.77	0.99	(1.49)	2.30	(4.48)
	- Income tax on above	(0.27)	(0.35)	0.52	(0.80)	1.56
	Other Comprehensive Income	**0.50**	**0.64**	**(0.97)**	**1.50**	**(2.92)**
7	**Total Comprehensive Income (5+6)**	**4,867.27**	**4,731.10**	**4,986.89**	**15,848.48**	**14,916.83**
8	Paid up equity share capital (Face value Rs.10/- per share)	54,450.00	54,450.00	54,450.00	54,450.00	54,450.00
9	**Earning Per Share (EPS)**					
	Basic EPS (in Rs.) (Not annualised)	0.89	0.87	0.92	2.91	2.74
	Diluted EPS (in Rs.) (Not annualised)	0.89	0.87	0.92	2.91	2.74

JM Financial Products Limited
Corporate Identity Number : U74140MH1984PLC033397
Admin. Office: 1st Floor, B Wing, Suashish IT Park, Plot No. 68 E, Off. Dattapada Road, Opp. Tata Steel, Borivali (East), Mumbai 400 066.
T: 91 22 6761 7000 F: 91 22 6761 7222
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

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL PRODUCTS LIMITED

STATEMENT OF UNAUDITED BALANCE SHEET AS AT DECEMBER 31, 2018

(Rupees in Lakh)

Sr. No.		As at December 31, 2018 Unaudited
	ASSETS	
(1)	**Financial Assets**	
(a)	Cash and cash equivalents	6,341.30
(b)	Other Bank Balances	6,005.00
(c)	Loans (Note A)	660,653.92
(d)	Investments	24,662.45
(e)	Other Financial assets	85,274.63
		782,937.30
(2)	**Non-financial Assets**	
(a)	Deferred tax Assets	2,835.87
(b)	Property, Plant and Equipment	353.50
(c)	Intangible assets under development	164.20
(d)	Other Intangible assets	153.00
(e)	Other non-financial assets	635.59
		4,142.16
	Total Assets	**787,079.46**
	LIABILITIES AND EQUITY	
	LIABILITIES	
(1)	**Financial Liabilities**	
(a)	Payables	
	(I)Trade Payables	
	(i) total outstanding dues of micro enterprises and small enterprises	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,233.07
(b)	Debt securities	487,143.15
(c)	Borrowings (Other than Debt Securities)	120,712.03
(d)	Other financial liabilities	16,658.52
	Total Financial Liabilities	**626,746.77**
(2)	**Non-Financial Liabilities**	
(a)	Current tax liabilities (Net)	582.19
(b)	Provisions	2,894.30
(d)	Other non-financial liabilities	328.43
	Total Non-Financial Liabilities	**3,804.92**
(3)	**EQUITY**	
(a)	Equity Share capital	54,450.00
(b)	Other Equity	102,077.77
	Total Equity	**156,527.77**
	Total Liabilities and Equity	**787,079.46**

Note A: Net off non performing asset and Expected Credit loss provisions.

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL

JM FINANCIAL PRODUCTS LIMITED

Notes :

1 The above results have been reviewed and recommended for Board approval by the Audit Committee and approved by the Board of Directors at the meeting held on January 18, 2019. These results have been subjected to a "Limited Review" by the statutory auditors of the Company.

2 The accompanying financial results have been prepared as per the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 to the extent applicable to the Company for the purpose of preparation of consolidated interim financial results of the ultimate holding company, JM Financial Limited.

3 The Company adopted Indian Accounting Standards (Ind AS) from April 01, 2017 and accordingly above financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 - Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, the management has excercised necessary due deligence to ensure that the financial results provide a true and fair view of the Company's affairs.

4 There is a possibility that these financial results for the current and previous periods may require adjustments due to changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the Ministry of Corporate Affairs and RBI or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS 101 which may arise upon finalisation of the financial statements as at and for the year ending 31 March 2019 prepared under Ind AS.

Reconciliation of net profit for the corresponding quarter ended and nine month ended December 31, 2017 between previous Indian GAAP (IGAAP) and Ind AS is as under:

Rupees in Lakh

Particulars	Quarter ended 31.12.2017 Unaudited	Nine month ended 31.12.2017 Unaudited
Net profit as per previous GAAP (IGAAP)	**4,924.28**	**15,757.07**
Add / (Less):		
Provision for expected credit Loss	791.13	(539.00)
Re-measurement of Security Deposits at Amortised Cost	(0.17)	(0.17)
(Increase) / Decrease in borrowing cost pursuant to application of effective interest rate method	(386.97)	88.69
Increase /(Decrease) in interest income pursuant to application of effective interest rate method	(308.50)	(825.57)
Loss on fair valuation of investments	(5.17)	(15.51)
Reclassification of net acturial gain on employee defined benefit obligation to OCI	7.43	4.48
Deferred tax impact on above	(34.17)	449.76
Total effect of transition to Ind AS	**63.58**	**(837.32)**
Net profit after tax (before OCI) as per Ind AS	4,987.86	14,919.75
Other comprehensive Income (net of tax)	(0.97)	(2.92)
Total Comprehensive Income under Ind AS	**4,986.89**	**14,916.83**

5 The Company has only one business segment i.e Fund based activities and hence there is no other reportable segments.

6 Pursuant to the resolution passed at the Board meeting of the company dated October 24,2018 with respect to the issuance of secured / unsecured rated, listed, redeemable non – convertible debentures to the public aggregating upto Rs. 2,000 crore in one or more tranches, the financial results for the period ended December 31, 2018 are submitted to the Securities and Exchange Board of India ('SEBI') as per the provision of Regulation 51 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations").

7 The Board of Directors at their meeting held on January 18,2019 have declared an interim dividend of Rs 0.70 per share for the financial year 2018-19. The record date for the same is fixed as January 18,2019.

8 Figures in respect of the previous period have been rearranged / regrouped wherever necessary to correspond with the figures of the current period.

For and on behalf of the Board

Vishal Kampani

Vishal Kampani
Managing Director
DIN - 00009079

Mumbai, dated, January 18, 2019

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI

Khimji Kunverji & Co
(Registered)
Chartered Accountants

Auditors' Report on the reformatted standalone statement of assets and liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014 and reformatted standalone statements of profit and loss and cash flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 of JM Financial Products Limited (collectively, the "Reformatted Standalone Financial Information")

The Board of Directors
JM Financial Products Limited
7th Floor, Cnergy, Appasaheb Marathe Marg
Prabhadevi, Mumbai- 400 025

Dear Sirs / Madams,

1. We have examined the attached Reformatted Standalone Financial Information of JM Financial Products Limited (the "Company") as at March 31, 2018, 2017, 2016, 2015 and 2014 and for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014, annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed public issue of Secured, Redeemable, Non Convertible Debentures of Face Value of Rs. 1,000 each and Unsecured, Redeemable, Non Convertible Debentures of Face Value of Rs. 1,000 Each ("NCDs") through one or more tranches ("Issue"). The Reformatted Standalone Financial Information, which have been approved by the NCD Public Issue Committee of the Board of Directors of the Company, have been prepared by the Company in accordance with the requirements of:

   a) Section 26 of Chapter III of The Companies Act, 2013, as amended (the "Act"); and

   b) relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ('the Regulations') issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act").

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Reformatted Standalone Financial Information

2. The preparation of Reformatted Standalone Financial Information, which are to be included in the Draft Shelf Prospectus and the Shelf Prospectus, is the responsibility of the Management of the Company for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Reformatted Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, the Regulations and the Guidance note.

Auditors' Responsibilities

3. We have examined such Reformatted Standalone Financial Information taking into consideration:

   a) the terms of reference and our engagement agreed with you vide our engagement letter dated October 29, 2018, requesting us to carry out work on such Reformatted Standalone Financial Information in connection with the Company's Issue of NCDs;

   b) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and

KHIMJI KUNVERJI & CO. NM CHARTERED ACCOUNTANTS MUMBAI

c) the requirements of Section 26 of the Act and the Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Issue of NCD.

d) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Financial Information.

Reformatted Standalone Financial Information

4. The Reformatted Standalone Financial Information have been compiled by the management from the audited standalone financial statements of the Company as at and for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014, which have been approved by the Board of Directors at their meetings held on April 30, 2018, April 27, 2017, May 12, 2016, May 26, 2015 and May 05, 2014, respectively.

5. For the purpose of our examination, we have relied on:
   a) the Auditors' Report issued by Deloitte Haskins & Sells LLP (the 'Previous Auditor') dated April 30, 2018, April 27, 2017, May 12, 2016, May 26, 2015 and May 05, 2014 on the standalone financial statement of the Company as at and for the year ended March 31, 2018, 2017, 2016, 2015 and 2014, respectively, as referred in Para 4 above; and

   b) Examination report submitted by Deloitte Haskins & Sells LLP dated January 31, 2019 on the Reformatted Standalone Financial Information of the Company. The examination report included for the said years is based solely on the report submitted by the Previous Auditor.

6. Taking into consideration the requirements of Section 26 of Part I of Chapter III of the Act, the Regulations and the terms of our engagement agreed with you, we further report that:

   a) the Reformatted Standalone Financial Information of the Company have been examined by us, as set out in Annexure I to Annexure V. These Reformatted Standalone Financial Information have been prepared after regrouping as in management's opinion were appropriate and more fully described in Significant Accounting policies and notes (Refer Annexure IV and Annexure V).

   b) based on our examination as above:

      i) the Reformatted Standalone Financial Information have to be read in conjunction with the notes given in Annexure V; and

      ii) the figures of earlier periods have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform to the classification adopted for the Reformatted Standalone Financial Information as at and for the year ended March 31, 2018.

7. In the preparation and presentation of Reformatted Standalone Financial Information based on audited standalone financial statements as referred to in paragraph 5 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 5 above.

8. The standalone financial statement of the Company as at and for the year ended March 31, 2018, 2017, 2016, 2015 and 2014 were audited by Deloitte Haskins & Sells LLP, whose audit reports have been relied upon by us and we have not carried out any additional procedures. We have not audited any financial statements of the Company as of any date or for any period. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period.

KHIMJI KUNVERJI & CO NM CHARTERED ACCOUNTANTS MUMBAI

9. In our opinion and as per the reliance placed on the examination reports for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 submitted by the Previous Auditor, the Reformatted Standalone Financial Information as disclosed in the Annexures to this report, read with respective significant accounting policies disclosed in Annexure IV, and after making adjustments and regroupings as considered appropriate and disclosed has been prepared by the Company by taking into consideration the requirement of Section 26 of Part I of Chapter III of the Act and the Regulations.

10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

Restrictions on Use

13. This report is intended solely for use of the management for inclusion in the Draft Shelf Prospectus and the shelf Prospectus to be filed with SEBI, and BSE Limited in connection with the proposed issue of NCD of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For Khimji Kunverji & Co.
Chartered Accountants
Firm Registration Number: 105146W

NM

Hasmukh B Dedhia
Partner (F – 33494)

Mumbai
January 31, 2019

JM FINANCIAL

JM FINANCIAL PRODUCTS LIMITED Annexure I

REFORMATTED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Crore)

		Note No.	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
I.	**EQUITY AND LIABILITIES**						
1	**Shareholders' funds**						
	Share capital	2	544.50	544.50	544.50	544.50	544.50
	Reserves and surplus	3	951.76	798.29	661.02	553.56	430.82
			1,496.26	**1,342.79**	**1,205.52**	**1,098.06**	**975.32**
2	**Non-current liabilities**						
	Long-term borrowings	4	2,628.86	1,150.12	461.63	110.69	377.12
	Other long-term liabilities	5	61.01	12.32	-	-	-
	Long-term provisions	6	29.74	27.13	27.03	27.05	28.52
			2,719.61	**1,189.57**	**488.66**	**137.74**	**405.64**
3	**Current liabilities**						
	Short-term borrowings	7	1,741.20	2,919.16	2,352.05	2,887.20	2,234.29
	Trade payables:	35					
	- Dues to micro and small enterprises		-	-	-	-	-
	- Others		11.72	13.59	4.67	1.83	3.99
	Other current liabilities	8	1,278.49	484.47	184.56	344.95	383.06
	Short-term provisions	9	5.45	7.49	73.99	79.21	31.19
			3,036.86	**3,424.71**	**2,615.27**	**3,313.19**	**2,652.53**
	TOTAL		**7,252.73**	**5,957.07**	**4,309.45**	**4,548.99**	**4,033.49**
II.	**ASSETS**						
1	**Non-current assets**						
	Property, plant and equipment	10					
	Tangible assets		4.09	4.05	2.75	2.54	3.13
	Intangible assets		1.47	0.91	1.09	1.32	1.32
	Intangible assets under development		1.32	0.66	-	-	-
	Non-current investments	11	39.52	114.27	98.08	193.08	129.44
	Deferred tax assets (net)	12	12.39	12.43	13.83	14.72	14.13
	Long-term loans and advances	13	3,383.08	2,642.34	1,152.03	1,035.47	1,228.01
			3,441.87	**2,774.66**	**1,267.78**	**1,247.13**	**1,376.03**
2	**Current assets**						
	Current investments	14	59.08	5.71	7.02	0.43	-
	Stock-in-trade	15	-	9.86	256.89	359.01	534.21
	Cash and cash equivalents	16	401.25	251.77	699.63	382.43	384.83
	Short-term loans and advances	17	3,350.29	2,914.93	2,039.21	2,556.11	1,730.38
	Other current assets	18	0.24	0.14	38.92	3.88	8.04
			3,810.86	**3,182.41**	**3,041.67**	**3,301.86**	**2,657.46**
	TOTAL		**7,252.73**	**5,957.07**	**4,309.45**	**4,548.99**	**4,033.49**
	See accompanying notes forming part of the reformatted standalone financial information	1 to 41					

In terms of our report attached

For Khimji Kunverji & Co
Chartered Accountants

Hasmukh B Dedhia
Partner (F- 33494)
Mumbai, dated NM

31 JAN 2019

For and on behalf of the Board of Directors of
JM Financial Products Limited

Director

Chief Financial Officer

Mumbai, dated January 31, 2019

JM Financial Products Limited
Corporate Identity Number : U74140MH1984PLC033397
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

JM FINANCIAL

JM FINANCIAL PRODUCTS LIMITED — **Annexure II**

REFORMATTED STANDALONE STATEMENT OF PROFIT AND LOSS

(Rupees in Crore)

		Note No.	For the Year ended 31.03.2018	For the Year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
I	**Income:**						
a)	Revenue from operations	19	872.51	680.13	527.84	658.16	490.00
b)	Other income	20	35.41	26.27	31.64	44.32	39.19
	Total Revenue		907.92	706.40	559.48	702.48	529.19
II	**Expenses:**						
a)	Employee benefits expense	21	39.83	23.37	15.64	27.33	30.32
b)	Finance costs	22	488.87	344.11	274.96	373.34	276.22
c)	Provision for loans	23	3.90	-	-	2.32	1.22
d)	Depreciation and amortization expense		2.52	2.13	1.55	1.40	1.26
e)	Operating and other expenses	24	45.15	33.46	20.45	20.88	18.07
	Total expenses		580.27	403.07	312.60	425.27	327.09
III	**Profit before Tax (I-II)**		327.65	303.33	246.88	277.21	202.10
IV	**Tax Expenses**						
	Current tax		114.50	104.70	78.30	89.50	68.80
	Deferred tax		0.04	1.40	0.89	(0.58)	(2.54)
	Short provision for income tax in respect of earlier years		0.18	-	0.26	-	1.04
			114.72	106.10	79.45	88.92	67.30
V	**Profit for the year (III- IV)**		212.93	197.23	167.43	188.29	134.80
VI	**Earning Per Equity Share** (Face value of Rs. 10/- each) Basic and Diluted	29	3.91	3.62	3.08	3.46	2.48
	See accompanying notes forming part of the reformatted standalone financial information	1 to 41					

In terms of our report attached

For Khimji Kunverji & Co
Chartered Accountants

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Partner (F- 33494)
Mumbai, dated

31 JAN 2019

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JM FINANCIAL

JM FINANCIAL PRODUCTS LIMITED
REFORMATTED STANDALONE CASH FLOW STATEMENT

Annexure III

(Rupees in Crore)

	Particulars	As at and for the year ended 31.03.2018	As at and for the year ended 31.03.2017	As at and for the year ended 31.03.2016	As at and for the year ended 31.03.2015	As at and for the year ended 31.03.2014
A	**Cash flow from operating activities**					
	Profit before tax	327.65	303.33	246.88	277.21	202.10
	Adjustment for:					
	Depreciation and amortisation expenses	2.52	2.13	1.55	1.39	1.26
	(Profit) / loss on fixed assets sold/ discarded (net)	(0.13)	0.25	(0.03)	0.01	-
	Loan funds written off	4.16	0.55	-	0.19	-
	Provision on non-performing assets	1.68	-	-	2.32	1.22
	Provision on standard assets	2.22	-	-	-	-
	Interest expenses - Others	0.16	0.23	0.48	0.19	0.28
	Provision for doubtful loans written back	(4.14)	(4.47)	(0.30)	(0.19)	-
	Interest income on fixed deposits with banks and others	(0.67)	(3.78)	(7.22)	(26.00)	(32.34)
	Provision for bonus written back	(0.14)	(1.26)	(0.23)	(0.12)	-
	Dividend on current investments	-	-	(20.97)	(1.52)	(1.15)
	Dividend on long term investments	-	(0.07)	(0.06)	(0.00)	(0.00)
	(Profit) / loss on sale of long term investments	-	0.41	-	(13.27)	(3.21)
	Profit on sale of current investments	(30.25)	(16.65)	(2.78)	(3.19)	(2.48)
	Operating profit before working capital changes	303.06	280.66	217.32	237.02	165.68
	Adjustment for (Increase) / Decrease in Operating Assets:					
	Loans and advances and other current assets	(1,178.61)	(2,329.62)	363.74	(631.58)	143.31
	Stock-in-trade	9.86	247.04	102.11	175.20	63.55
	Operating fixed deposits with banks	(145.50)	-	40.00	-	-
	Accrued interest income related to operating activities	0.01	0.08	3.20	3.32	(4.30)
	Adjustment for increase/ (decrease) in operating liabilities:					
	Trade payables, other liabilities and provisions	9.04	18.53	1.59	(4.78)	4.64
	Accrued interest expenses related to operating activities	108.87	20.39	(9.66)	(5.48)	(2.43)
	Cash (used in)/ from operations	(893.27)	(1,762.92)	718.30	(226.30)	370.44
	Direct taxes paid (net)	(116.08)	(105.73)	(78.93)	(93.25)	(72.41)
	Net cash (used in)/ from operating activities (A)	(1,009.35)	(1,868.65)	639.37	(319.55)	298.03
B	**Cash flow from investing activities**					
	Purchase of fixed assets	(4.36)	(3.95)	(2.68)	(0.92)	(2.54)
	Sale of fixed assets	0.26	0.00	0.43	0.08	-
	Investment in subsidiary	(20.00)	(12.00)	-	-	-
	Purchase of long term investments	(0.30)	(230.22)	-	(98.08)	-
	Sale of long term investments	95.05	226.94	-	47.71	18.61
	sale of Investment in subsidiary	-	-	95.00	-	-
	Sale / (purchase) of current investments (net)	(23.13)	16.65	(3.80)	2.76	2.48
	Decrease/ (increase) in other bank balances	-	-	277.00	(11.00)	287.00
	Interest received	0.56	3.99	7.47	26.85	36.68
	Dividend received	-	0.07	21.03	1.52	1.15
	Net cash from/ (used in) investing activities (B)	48.08	1.48	394.45	(31.08)	343.38
C	**Cash flow from financing activities**					
	Proceeds/ (Repayment) from long term borrowings (net)	1,885.83	972.35	201.54	(296.38)	16.55
	(Repayments)/ Proceeds from short term borrowings (net)	(860.96)	567.12	(535.16)	652.91	(675.89)
	Interest paid	(0.16)	(0.23)	(0.47)	(0.19)	(0.28)
	Dividend paid (including Corporate Dividend Tax)	(59.46)	(119.94)	(65.53)	(19.11)	(63.70)
	Net cash from/ (used in) financing activities (C)	965.25	1,419.30	(399.62)	337.23	(723.32)
	Net increase / (Decrease) in cash and cash equivalents (A+B+C)	3.98	(447.87)	634.20	(13.40)	(81.90)
	Cash and cash equivalents at the beginning of the year	191.77	639.63	5.43	18.83	100.73
	Cash and cash equivalents at the end of the year	195.75	191.76	639.63	5.43	18.83
	# Denotes amount below Rupees 50,000/-					
	Notes:					
	a) Reconciliation of cash and cash equivalents:					
	As per Balance Sheet - Note 16	401.25	251.77	699.63	382.43	384.83
	Less: Balances with banks in deposit	205.50	60.00	60.00	377.00	366.00
	As per Cash-flow statement	195.75	191.77	639.63	5.43	18.83
	b) Balance with banks in deposits placed as securities against overdraft facilities availed from banks	205.50	60.00	60.00	377.00	366.00
	See accompanying notes forming part of the reformatted standalone financial information	1 to 41				

In terms of our report attached

For Khimji Kunverji & Co
Chartered Accountants

Hasmukh B Dedhia
Partner (F - 33494)
Mumbai, dated

31 JAN 2019

NM

For and on behalf of the Board of Directors of
JM Financial Products Limited

Director

Chief Financial Officer
Mumbai, dated January 31, 2019

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JM FINANCIAL PRODUCTS LIMITED Annexure IV

Notes to the reformatted standalone financial information

Note 1A.

The Company has prepared the Reformatted Standalone Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015, 2014 and Reformatted Standalone Statement of Profit and Loss and the Reformatted Standalone Cash Flow Statements for the years ended March 31, 2018, 2017, 2016, 2015, 2014 and the summary of significant accounting policies and other explanatory information (together comprising the "Reformatted Standalone Financial Information").

The Reformatted Standalone Financial Information have been extracted by management from the Audited Financial Statements of the Company for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 which were approved by Board of Directors of the Company and which have been audited by Deloitte Haskins & Sells LLP, Chartered Accountants. The auditors have issued an audit report dated April 30, 2018, April 27, 2017, May 12, 2016, May 26, 2015 and May 5, 2014 for the financial year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 respectively to the Members of the Company.

The Reformatted Standalone Financial Information as at end for the years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 has been regrouped/ reclassified wherever necessary to correspond with the presentation / disclosure requirements of the financial year ended March 31, 2018 to comply with the requirements the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended to date (the "SEBI (ILDS) Regulations") issued by the Securities and Exchange Board of India (the "SEBI").

These Reformatted Standalone Financial Information, do not reflect the effects of events that occurred subsequent to the dates of approval of the audited standalone financial statements of the respective years by the Board of Directors of the Company and also do not reflect the effects of change in accounting policies and restatement impact in respect of prior period items from one year to another, if any.

These Reformatted Standalone Financial Information has been prepared by the management for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed issue of NCDs of the Company.

Note 1B.

Significant Accounting Policies

a) Basis of preparation of financial statements

Financial Year 2017-18, 2016-17

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Financial Year 2015-16, 2014-15

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Financial Year 2013-14

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the generally accepted accounting principles in India and as per the provisions of the Companies Act, 1956, ('the Act') and the accounting principles generally accepted in India and comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs), to the extent applicable.

b) Use of Estimates

Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amount of income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actual and estimates are recognised in the period in which the results are known / materialised.

c) Property, Plant and Equipment

Financial Year 2017-18

Property, Plant and Equipment are recorded at cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation/ amortization and impairment loss, if any.

Fixed Assets

Financial Year 2016-17, 2015-16, 2014-15, 2013-14

Fixed Assets are recorded at cost of acquisitions or construction They are stated at historical cost less accumulated depreciation/ amortization and impairment loss, if any.

KHIMJI KUNVERJI & CO NM CHARTERED ACCOUNTANTS MUMBAI

JM Financial Products Limited

d) Depreciation

Financial Year 2017-18, 2016-17, 2015-16, 2014-15

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are depreciated over the period of lease or useful life of the asset whichever is lower.

Assets acquired under finance lease are depreciated over the period of lease.

Assets costing Rs.5,000/- or less are depreciated at 100%.

Financial Year 2013-14

Depreciation on fixed assets is provided on the straight line method at the following rates:

Fixed Assets	Useful period of life
Vehicles	5 years
Computers	5 years
Office Equipments	5 years
Furniture and Fixtures	10 years
Leasehold Improvements	Period of lease or 10 years, whichever is lower

Assets costing less than Rs. 5,000/- are fully depreciated in the year of purchase.

Assets taken on finance lease are depreciated over a period of lease.

e) Intangible Assets

Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. Softwares are amortized over a period of five years, on a straight line basis.

f) Impairment loss

Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

Impairment loss is provided to the extent the carrying amount(s) of assets exceed their recoverable amount(s). Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

g) Investments

Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

Current investments are carried at lower of cost (Scrip wise) and fair value. Long term investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of long term investments.

h) Stock in Trade

Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

Stock in trade is carried at lower of cost and fair value. Cost is determined on First in First Out basis.

i) Foreign Currency Transactions

Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

Transactions in foreign currency are recorded at rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency are reported using the closing rates of exchange. Exchange differences arising thereon and on realisation/ payment of foreign exchange are accounted in the relevant year as income or expense.

j) Revenue Recognition

Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

Interest income is recognised on accrual basis except in case of non-performing assets where interest is accounted on realization. In other cases, income is recognised when there is no significant uncertainty as to determination or realization exists.

For Financial year 2013-14

Lease Finance

Income from leased assets is accounted for in the period in which lease rentals fall due, by applying the interest rate implicit in the lease to the net investment in the lease during the period.

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI

JM Financial Products Limited

JM FINANCIAL PRODUCTS LIMITED Annexure IV

Notes to the reformatted standalone financial information

k) Provision for Non Performing Assets (NPA) and Standard Assets (SA)

Financial Year 2017-18

All loans and other credit exposures, where the amounts are overdue for a period of three months or more are classified as NPA. Provision is made in respect of NPA and SA in accordance with the stipulations of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" by the Reserve Bank of India (RBI). Additional provisions, if any (over and above the provisioning requirements under the Directions as specified by RBI) are made as per guidelines prescribed by the Board of Directors.

Financial Year 2016-17

All loans and other credit exposures, where the installments are overdue for a period of Four months or more are classified as NPA. Provision is made in respect of NPA and SA in accordance with the stipulations of Prudential Norms prescribed in the Master Directions – Non-Banking Financial Company - " Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" and Master Direction Non-Banking Financial Company - systemically important Non Deposit taking company and Deposit taking Company (Reserve Bank) Directions, 2016

Financial Year 2015-16, 2014-15

All loans and other credit exposures, where the installments are overdue for a period of six months or more are classified as NPA. Provision is made in respect of NPA and SA in accordance with the stipulations of Prudential Norms prescribed in the "Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015" by the Reserve Bank of India (RBI). Additional provisions (over and above the provisioning requirements under the Directions as specified by RBI) are also made as per guidelines prescribed by the Board of Directors.

Financial Year 2013-14

All loans and other credit exposures, where the installments are overdue for a period of six months or more are classified as NPA. Provision is made in respect of NPA and SA in accordance with the stipulations of Prudential Norms prescribed in the "Non Banking Financials (Non-Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007" by the Reserve Bank of India (RBI). Additional provisions (over and above the provisioning requirements under the Directions as specified by RBI) are also made as per guidelines prescribed by the Board of Directors.

l) Employee Retirement Benefits

Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

(a) Post Employment Benefits and Other Long Term Benefits:

Defined Contribution Plan:

The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statue/ Rules.

Defined Benefit Plans:

In respect of gratuity, provision is made based upon the actuarial valuation done at the end of every financial year using "Projected unit Credit Method". Major drivers in actuarial assumption, typically, are years of services and employees compensation. Gains and losses on changes in actuarial assumption are charged to the statement of profit and loss.

(b) Short term employee benefits:

Short term employee benefits are recognized as expense at the undiscounted amount in the statement of profit and loss of the year in which the related services are rendered.

m) Borrowing costs

Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

n) Taxes on income

Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

Tax expense comprises both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period. Deferred tax represents effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of existence of carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that deferred tax assets can be realised against future taxable profits.

o) Provisions and contingencies

Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

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HIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI
JM Financial Products Limited

JM FINANCIAL PRODUCTS LIMITED Annexure V

Notes to the reformatted standalone financial information

(Amount in notes are stated in Rupees in crore)

2 SHARE CAPITAL

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Authorised					
1,100,000,000 Equity shares of Rs 10/- each	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00
100,000,000 Preference shares of Rs 10/- each	100.00	100.00	100.00	100.00	100.00
	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
Issued, Subscribed and Paid-up					
544,500,000 Equity shares of Rs 10/- each fully paid-up	544.50	544.50	544.50	544.50	544.50
Total	544.50	544.50	544.50	544.50	544.50

2.1

The Company has issued only one class of shares i.e. equity. The equity shareholders are entitled to dividend as and when dividend is declared and approved by the shareholders.

Dividend Proposed (Rupees per share) (also refer note 41)			1.00	1.00	0.30

2.2

Details of Shareholding in excess of 5%:

Names of the Shareholders	Number of shares & % of holding				
JM Financial Limited and its nominees (5 shares held by nominees)	540,664,050	490,050,000	490,050,000	490,050,000	490,050,000
	99.30%	90.00%	90.00%	90.00%	90.00%
JM Financial Group Employees' Welfare Trust			8,227,850	54,450,000	54,450,000
			1.52%	10.00%	10.00%
JM Financial Institutional Securities Limited		50,461,850			
		9.27%			

3 RESERVES AND SURPLUS

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
a. Securities Premium Reserve					
Opening balance	38.23	38.23	38.23	38.23	38.23
Balance as per last Balance Sheet	38.23	38.23	38.23	38.23	38.23
b. Capital Redemption Reserve	0.00	0.00	0.00	0.00	0.00
c. Statutory Reserve					
Opening balance	233.29	193.29	159.29	121.29	94.19
(+) Transferred during the year	43.00	40.00	34.00	38.00	27.10
Closing balance	276.29	233.29	193.29	159.29	121.29
d .Surplus in Statement of Profit and Loss:					
Opening balance	526.77	429.51	356.04	271.30	182.71
(+) Profit for the year	212.93	197.23	167.43	188.29	134.80
(-) Appropriations					
Transferred to statutory reserve	(43.00)	(40.00)	(34.00)	(38.00)	(27.10)
Proposed Dividend	-	-	(49.83)	(54.45)	(16.33)
Final/ Interim Dividend	(49.40)	(49.83)	-	-	-
Corporate Dividend Tax	(10.06)	(10.14)	(10.14)	(11.08)	(2.78)
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with 'Nil' remaining useful life (net of deferred tax) (Refer note 10.3)	-	-	-	(0.02)	-
Closing balance	637.24	526.77	429.51	356.04	271.30
Total	951.76	798.29	661.02	553.56	430.82

# Denotes amount below Rupees.50,000/-

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI

JM Financial Products Limited

JM FINANCIAL PRODUCTS LIMITED Annexure V

Notes to the reformatted standalone financial information

(Amount in notes are stated in Rupees in crore)

4 LONG-TERM BORROWINGS

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Secured					
a) Term loan (Refer note 4.1)					
- From Banks	930.00	400.00	200.00	66.67	150.00
- From other parties	-	-	-	-	-
Less: Current maturities	(213.34)	(20.00)	-	(66.67)	(70.83)
	716.66	380.00	200.00	-	79.17
b) Non-convertible debentures (Refer note 4.2 and 4.3)	2,543.50	1,012.30	256.30	351.50	541.00
Less: Unamortised Discount	(0.02)	(0.07)	-	-	(4.63)
Less: Current maturities	(950.50)	(242.50)	(155.40)	(241.00)	(239.00)
Add: Premium received	2.22	-	-	-	-
	1,595.20	769.73	100.90	110.50	297.37
c) Finance lease obligations (Refer note 4.4 and 28)	0.01	0.73	1.23	0.56	0.99
Less: Current maturities	(0.01)	(0.34)	(0.50)	(0.37)	(0.41)
	-	0.39	0.73	0.19	0.58
Unsecured					
a) Non-Convertible Debentures (Refer note 4.3)	317.00	177.00	-	-	-
Less: Current maturities	-	(177.00)	-	-	-
	317.00	-	-	-	-
b) Other loans and advances:					
Inter Corporate Deposits	-	-	160.00	-	25.00
Less: Current maturities	-	-	-	-	(25.00)
	-	-	160.00	-	-
Total	**2,628.86**	**1,150.12**	**461.63**	**110.69**	**377.12**

4.1 Term Loan from a banks :

a) Term loans are secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company.

b) Maturity profile and rate of interest of term loan:

Maturity profile	Rate of Interest	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
2014-15	12%	-	-	-	-	70.83
2015-16	12%	-	-	-	66.67	79.17
2017-18	10.10%	-	-	-	-	-
2018-19	10.10%	-	-	-	-	-
2017-18	8.75%	-	20.00	20.00	-	-
2018-19	8.65% to 8.75%	213.34	180.00	180.00	-	-
2019-20	8.40% to 8.65%	241.12	77.77	-	-	-
2020-21	8.40% to 8.65%	362.20	122.23	-	-	-
2021-22	8.45% to 8.50%	96.67	-	-	-	-
2022-23	8.50%	16.67	-	-	-	-
Total		**930.00**	**400.00**	**200.00**	**66.67**	**150.00**

4.2 Non Convertible Debentures :

Financial Year 2016-17 and 2017-18

Non-Convertible Debentures are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.

Financial Year 2015-16

a) Rs.256.30 Crore (Previous year Rs.288.50 Crore) are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.

b) Nil (Previous year Rs.63.00 Crore) are secured by way of hypothecation on certain identified loan fund balance of the Company

Financial Year 2014-15

a) Rs.288.50 Crore (Previous year Rs.389.00 Crore) are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.

b) Rs.63.00 Crore (Previous year Rs.152.00 Crore) are secured by way of hypothecation on certain identified loan fund balance of the Company

Financial Year 2013-14

a) Rs.389.00 Crore (Previous year Rs.412.50 Crore) are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.

b) Rs.152 Crore (Previous year Rs.107 Crore) are secured by way of hypothecation on certain identified loan fund balances of the Company.

4.3 Maturity Profile and rate of Interest / discounted rate of interest on Non Convertible Debenture (NCD) face value of Rs. 10,00,000/-each

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Notes to the reformatted standalone financial information

(Amount in notes are stated in Rupees in crore)

Financial Year 2017-18

Particular	Non Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
0.00% NCD redeemable in year 2017-18 *	-	-	-	100.00
0.00% NCD redeemable in year 2018-19 *	-	278.00	428.00	-
0.00% NCD redeemable in year 2019-20 *	264.70	64.70	-	-
0.00% NCD redeemable in year 2020-21 *	337.10	77.10	-	-
0.00% NCD redeemable in year 2021-22 *	228.90	-	-	-
0.00% NCD redeemable in year 2019-20 ***	317.00	-	-	-
9.55% NCD redeemable in year 2017-18	-	-	-	50.00
8.75% NCD redeemable in year 2017-18***	-	-	-	177.00
8.40% NCD redeemable in year 2018-19	-	75.00	75.00	-
8.81% NCD redeemable in year 2018-19	-	100.00	100.00	-
8.88% NCD redeemable in year 2018-19	-	15.00	15.00	-
8.89% NCD redeemable in year 2018-19	-	95.00	95.00	-
NCD redeemable in year 2017-18**	-	-	-	92.50
NCD redeemable in year 2018-19**	-	60.00	237.50	-
NCD redeemable in year 2019-20**	114.00	5.00	-	-
NCD redeemable in year 2020-21**	438.90	-	-	-
NCD redeemable in year 2021-22**	209.40	-	-	-
Total	1,910.00	769.80	950.50	419.50

* Redeemable at premium
** Market Linked Debentures (MLD)
*** Unsecured

Financial Year 2016-17

Particular	Non Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
0.00% NCD redeemable in year 2016-17 *	-	-	-	49.90
0.00% NCD redeemable in year 2017-18 *	-	40.00	100.00	-
0.00% NCD redeemable in year 2018-19 *	278.00	3.00	-	-
0.00% NCD redeemable in year 2019-20 *	64.70	7.90	-	-
0.00% NCD redeemable in year 2020-21 *	77.10	-	-	-
11.38% NCD redeemable in year 2016-17	-	-	-	100.00
9.55% NCD redeemable in year 2017-18	-	50.00	50.00	-
8.75% NCD redeemable in year 2017-18***	-	-	177.00	-
8.80% NCD redeemable in year 2017-18	-	-	-	-
8.40% NCD redeemable in year 2018-19	75.00	-	-	-
8.81% NCD redeemable in year 2018-19	100.00	-	-	-
8.88% NCD redeemable in year 2018-19	15.00	-	-	-
8.89% NCD redeemable in year 2018-19	95.00	-	-	-
NCD redeemable in year 2016-17**	-	-	-	5.50
NCD redeemable in year 2017-18**	-	-	92.50	-
NCD redeemable in year 2018-19**	60.00	-	-	-
NCD redeemable in year 2019-20**	5.00	-	-	-
Total	769.80	100.90	419.50	155.40

* Redeemable at premium
** Market Linked Debentures (MLD)
*** Unsecured

Financial Year 2015-16

Particular	Non Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
0.00% NCD redeemable in year 2016-17 **	-	-	49.90	-
0.00% NCD redeemable in year 2017-18 **	40.00	-	-	-
0.00% NCD redeemable in year 2018-19 **	3.00	-	-	-
0.00% NCD redeemable in year 2019-20 **	7.90	-	-	-
9.40% NCD redeemable in year 2016-17	-	-	5.50	-
9.55% NCD redeemable in year 2017-18	50.00	-	-	-
11.38% NCD redeemable in year 2016-17	-	100.00	100.00	-
0.00% NCD redeemable in year 2015-16 **	-	-	-	99.00
0.00% NCD redeemable in year 2015-16 *	-	-	-	92.00
0.00% NCD redeemable in year 2016-17 **	-	5.00	-	-
9.55% NCD redeemable in year 2016-17	-	5.50	-	-
11.40% NCD redeemable in year 2015-16	-	-	-	50.00
Total	100.90	110.50	155.40	241.00

* issued at discount
** Redeemable at premium

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI

JM Financial Products Limited

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Notes to the reformatted standalone financial information

(Amount in notes are stated in Rupees in crore)

Financial Year 2014-15

Particular	Non Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
9.55% NCD redeemable in year 2016-17	5.50	-	-	-
11.38% NCD redeemable in year 2016-17	100.00	100.00	-	-
10.40% NCD redeemable in year 2016-17	5.00	5.00	-	-
11.00% NCD redeemable in year 2015-16*	-	35.00	35.00	-
10.85% NCD redeemable in year 2015-16*	-	8.00	8.00	-
11.40% NCD redeemable in year 2015-16	-	100.00	100.00	-
10.85% NCD redeemable in year 2015-16	-	23.00	23.00	-
10.75% NCD redeemable in year 2015-16	-	16.00	16.00	-
10.10% NCD redeemable in year 2015-16	-	5.00	-	-
10.60% NCD redeemable in year 2015-16	-	10.00	10.00	-
10.10% NCD redeemable in year 2015-16*	-	-	49.00	-
11.00% NCD redeemable in year 2014-15	-	-	-	165.00
10.50% NCD redeemable in year 2014-15	-	-	-	6.00
10.65% NCD redeemable in year 2014-15	-	-	-	30.00
10.40% NCD redeemable in year 2014-15	-	-	-	38.00
Total	110.50	302.00	241.00	239.00

* issued at discount

Financial Year 2013-14

Particular	Non Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
11.38% NCD redeemable in year 2016-17	100.00	-	-	-
11.00% NCD redeemable in year 2015-16*	35.00	-	-	-
10.85% NCD redeemable in year 2015-16*	8.00	-	-	-
11.40% NCD redeemable in year 2015-16	100.00	-	-	-
10.85% NCD redeemable in year 2015-16	23.00	-	-	-
10.75% NCD redeemable in year 2015-16	16.00	-	-	-
10.10% NCD redeemable in year 2015-16	5.00	-	-	-
10.40% NCD redeemable in year 2015-16	5.00	-	-	-
10.60% NCD redeemable in year 2015-16	10.00	10.00	-	-
11.00% NCD redeemable in year 2014-15	-	165.00	165.00	-
10.50% NCD redeemable in year 2014-15	-	6.00	6.00	-
10.65% NCD redeemable in year 2014-15	-	30.00	30.00	-
10.40% NCD redeemable in year 2014-15	-	38.00	38.00	-
11.90% NCD redeemable in year 2013-14	-	-	-	250.00
11.25% NCD redeemable in year 2013-14	-	-	-	5.00
11.00% NCD redeemable in year 2013-14	-	-	-	7.50
11.40% NCD redeemable in year 2013-14	-	-	-	8.00
Total	302.00	249.00	239.00	270.50

* issued at discount

4.4 Finance lease obligations are secured by way of hypothecation of vehicles.

4.5 Maturity profile and rate of interest of inter Corporate Deposits

Maturity Profile	Rate of Interest	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
2014-15	9.15%	-	-	-	-	25.00
2017-18	10.50%	-	-	160.00	-	-
		-	-	160.00	-	25.00

5 OTHER LONG-TERM LIABILITIES

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Employee benefits payable	59.36	11.36	-	-	-
Interest/ premium accrued but not due on borrowings	1.65	0.96	-	-	-
Total	61.01	12.32	-	-	-

6 LONG-TERM PROVISIONS

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Provisions:					
For standard assets (Refer note 37)	28.49	26.27	26.27	26.27	27.72
For employee benefits:					
-Gratuity (Refer note 27)	1.25	0.86	0.76	0.78	0.80
Total	29.74	27.13	27.03	27.05	28.52

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI NM

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(Amount in notes are stated in Rupees in crore)

7 SHORT-TERM BORROWINGS

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Secured					
a) Short Term Loans from Banks (Refer note 7.1)	-	-	100.00	-	50.00
	-	-	100.00	-	50.00
b) Loan Payable on Demands:					
From Banks:					
Cash credit facilities (Refer note 7.1)	-	-	40.25	-	50.00
Over draft accounts (Refer note 7.2)	-	-	-	2.43	51.48
	-	-	40.25	2.43	101.48
c) Other Loans and advances:					
CBLO borrowings (Refer note 7.3)	-	-	243.00	275.00	-
Less: Unamortised interest	-	-	(0.14)	(0.36)	-
	-	-	242.86	274.64	-
Unsecured					
a) Other loans and advances:					
Commercial paper (Refer note 7.4)	1,753.30	2,993.70	1,957.50	2,615.50	2,171.80
Less: Unamortised interest	(37.10)	(99.54)	(63.56)	(80.37)	(88.99)
	1,716.20	2,894.16	1,893.94	2,535.13	2,082.81
b) Inter Corporate Deposits	25.00	25.00	75.00	75.00	-
	25.00	25.00	75.00	75.00	-
Total	1,741.20	2,919.16	2,352.05	2,887.20	2,234.29

7.1 Short term loan and cash credit facilities from banks are secured by way of hypothecation of certain identified loan fund balances of the Company.
7.2 Secured against fixed deposits pledged with the banks.
7.3 Secured against government securities pledged with the Clearing Corporation of India Limited (CCIL).
7.4 Commercial papers:

a) The maximum amount outstanding at any time during the year	5,363.70	6,141.70	6,166.50	4,523.50	2,603.80
b) Interest rate ranges from (%)	6.50 to 11.25	6.40 to 12.00	7.75 to 10.50	8.40 to 15.00	8.30 to 13.25

8 OTHER CURRENT LIABILITIES

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Current maturities of long term borrowings:					
- Term Loan from Bank	213.34	20.00	-	66.67	70.83
- Inter Corporate Deposit	-	-	-	-	25.00
- Finance lease obligations	0.01	0.34	0.50	0.37	0.41
- Non-Convertible Debentures	950.50	419.50	155.40	241.00	239.00
Less: Unamortised discount	(0.00)	(0.08)	-	(2.74)	-
	950.50	419.42	155.40	238.26	239.00
Interest accrued but not due on borrowings	80.23	19.35	10.31	19.99	25.47
Income received in advance	2.72	6.18	1.71	-	-
Employee benefits payable	21.24	17.15	15.08	18.78	21.34
Statutory dues	8.29	0.88	1.35	0.66	0.80
Directors' commission payable	2.16	1.15	0.21	0.22	0.21
Total	1,278.49	484.47	184.56	344.95	383.06

# Denotes amount below Rupees.50,000/-

9 SHORT-TERM PROVISIONS

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Provisions:					
For Proposed dividend	-	-	49.83	54.45	16.34
For Corporate dividend tax	-	-	10.14	11.08	2.78
For Taxation (net of advance tax)	2.41	2.62	4.95	4.17	6.11
For doubtful loans	1.68	4.14	8.62	8.92	5.33
For employee benefits:					
- Compensated absences	1.03	0.56	0.38	0.43	0.46
- Gratuity (Refer note 27)	0.33	0.17	0.07	0.15	0.17
Total	5.45	7.49	73.99	79.21	31.19

JM Financial Products Limited

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL PRODUCTS LIMITED

Notes to the reformatted standalone financial information

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10 Property, Plant And Equipment

(Rupees in Crore)

Description of Assets	GROSS BLOCK					Accumulated Depreciation / Amortisation					Net Block				
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
TANGIBLE ASSETS															
Own Assets															
Freehold Land (Refer Note 11.1)	0.21	0.21	0.21	0.21	0.21	-	-	-	-	-	0.21	0.21	0.21	0.21	0.21
Furniture and Fixtures	0.59	0.52	0.43	0.42	0.42	0.26	0.17	0.13	0.09	0.06	0.33	0.35	0.30	0.33	0.36
Computers	1.81	0.75	0.58	0.47	0.29	0.75	0.46	0.32	0.23	0.15	1.06	0.29	0.26	0.24	0.14
Office Equipment	0.59	0.34	0.16	0.14	0.14	0.21	0.14	0.07	0.03	0.01	0.38	0.20	0.09	0.11	0.13
Vehicles	1.60	1.60	-	-	-	0.07	0.07	-	-	-	1.53	1.53	-	-	-
Leasehold Improvements	3.25	2.44	1.81	1.81	1.63	2.52	1.63	1.07	0.63	0.21	0.73	0.81	0.74	1.18	1.42
Leased Assets															
Vehicles (Refer Note 11.2)	1.28	1.55	1.55	1.34	1.77	1.24	0.89	0.40	0.87	0.91	0.05	0.66	1.15	0.47	0.87
TOTAL	9.13	7.41	4.74	4.39	4.46	5.04	3.36	1.99	1.85	1.34	4.09	4.05	2.75	2.54	3.13
INTANGIBLE ASSETS															
Software	4.45	3.35	3.11	2.89	2.45	2.98	2.44	2.02	1.57	1.13	1.47	0.91	1.09	1.32	1.32
TOTAL	4.45	3.35	3.11	2.89	2.45	2.98	2.44	2.02	1.57	1.13	1.47	0.91	1.09	1.32	1.32
Intangible Asset Under development											1.32	0.66	-	-	-

10.1 Mortgaged as Security against secured Non-Convertible Debentures (Refer note 4.2)

10.2 Vendors have a lien over assets taken on lease.

Financial Year 2014-15

10.3. Pursuant to the Companies Act, 2013 ('the Act'), becoming effective from April 1, 2014, the Company has reworked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act. As a result, the charge for depreciation is higher by Rs.0.02 crore for the year ended March 31, 2015. Further, based on transitional provision in Note 7(b) of Schedule II, an amount of Rs.0.02 crore (net of deferred tax of Rs.0.01 crore) has been adjusted against the retained earnings.

JM Financial Products Limited

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Notes to the reformatted standalone financial information

(Amount in notes are stated in Rupees in crore)

11 NON-CURRENT INVESTMENTS

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Non Trade, Fully paid up					
a) Equity Shares					
In Subsidiaries (Unquoted)					
JM Financial Home Loans Limited of Rs. 10/- each (No.of Shares: Financial Year 2017-18 : 32,000,000 and for Financial Year 2016-17 : 12,000,000)	32.00	12.00	-	-	-
JM Financial Services Limited of Rs. 10/- each (No. of Shares: Financial Year 2014-15 and 2013-14 : 45,500,000)	-	-	-	95.00	95.00
In Others (quoted)					
HCL Technologies Limited of Rs. 2/- each (No.of Shares: Financial Year 2015-16 and 2014-15 : 30,000)	-	-	3.03	3.03	-
Fairassets Technologies India Private Limited of Rs. 10/- each (No.of Shares: Financial Year 2017-18 and 2016-17 : 2)	# 0.00	# 0.00	-	-	-
b) Preference Shares					
In Other (Unquoted)					
0.01% Class A Compulsorily Convertible Preference Shares of GMR Airport Holding Limited of Rs.1000/- each (No. of Shares: Financial Year 2013-14 : 84,398)	-	-	-	-	34.44
10% Participating non-cumulative redeemable preference shares of JM Financial Properties & Holdings Limited of Rs. 10/- each (No. of Shares: Financial Year 2016-17, 2015-16 and 2014-15 :	-	95.05	95.05	95.05	-
Compulsory Convertible Preference Share					
Fairassets Technologies India Private Limited - Series A3 of Rs.5,771.13 each (No. of Shares: Financial Year 2017-18 : 12,508)	7.22	-	-	-	-
Fairassets Tech India Private Limited- Series B of Rs.7,395.15 each (No. of Shares: Financial Year 2017-18 : 406)	0.30	-	-	-	-
c) Debentures					
In Others (Unquoted)					
Compulsory Convertible Debentures					
Fairassets Technologies India Private Limited - Series A of Rs.5,771.13 each (No. of Debentures: Financial Year 2016-17 : 12,508)	-	7.22	-	-	-
Total	39.52	114.27	98.08	193.08	129.44
11.1 Aggregate cost of:					
Quoted Investments	-	-	3.03	3.03	-
Unquoted Investments	39.52	114.27	95.05	190.05	129.44
	39.52	114.27	98.08	193.08	129.44
11.2 Market Value of quoted investments	-	-	2.44	2.94	-
# Denotes amount below Rupees.50,000/-					

12 DEFFERED TAX ASSETS (NET)

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Provision for standard assets	9.86	9.09	9.09	9.09	9.42
Disallowances under section 43B of the Income Tax Act, 1961	1.76	1.22	1.37	2.23	2.55
Provision for doubtful loans	-	1.43	2.98	3.09	1.81
Difference between books and tax written down value of fixed assets	0.77	0.69	0.39	0.31	0.35
Total	12.39	12.43	13.83	14.72	14.13

JM Financial Products Limited

KHIMJI KUNVERJI & CO. NM CHARTERED ACCOUNTANTS MUMBAI

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Notes to the reformatted standalone financial information

(Amount in notes are stated in Rupees in crore)

13 LONG-TERM LOANS AND ADVANCES

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
(Unsecured unless otherwise stated and considered good)					
Loan Funds:					
Secured *	3,363.74	2,614.40	1,127.54	872.88	1,205.65
Unsecured	-	2.84	-	140.00	-
Staff Advances	-	0.01	0.01	0.03	0.03
Capital advances	1.10	0.63	0.84	0.09	0.27
Advance tax (net of provisions)	17.26	16.07	17.38	16.23	14.42
Security deposits	0.98	8.39	6.26	6.26	7.64
Total	3,383.08	2,642.34	1,152.03	1,035.47	1,228.01
* Includes loan funds in the form of Non-Convertible Debentures	178.50	316.00	-	-	-

14 Current Investment

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
a) Quoted					
Mutual Funds Units of Rs.10/- each, Fully Paid-Up					
JM High Liquidity Fund (Growth Option)	-	-	-	0.43	-
(No of units: Financial year 2014-15 : 112,376.213)					
HDFC Mutual Fund Floating Rate Income Fund	0.26	-	-	-	-
(No of units: Financial year 2017-18 : 93,071.574)					
b) Unquoted					
Mutual Fund Units of Rs 10 each fully paid up					
JM Floater Long Term Fund	2.01	-	-	-	-
(No of units: Financial year 2017-18 : 745,131.822)					
Security Receipts (SRs) of Rs 1,000 each fully paid up					
JMFARC-Hotels June 2014-Trust- Class A	3.26	5.71	7.02	-	-
(No of SRs: Financial year 2017-18, 2016-17 and 2015-16 : 200,000)*					
JMFARC Motors December 2017- Trust	53.55	-	-	-	-
(No of SRs: Financial year 2017-18 : 535,500)					
Total	59.08	5.71	7.02	0.43	-
* Face value partly redeemed					
14.1.					
Aggregate value of cost of quoted investments	0.26	-	-	0.43	-
Aggregate value of cost of unquoted investments	58.82	5.71	7.02	-	
Aggregate market value of quoted investments	0.28	-	-	0.43	-

15 STOCK-IN-TRADE

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Stock-in-trade					
(At lower of cost and fair value)					
Debt instruments (Refer note 15.1 and 15.2)	-	9.86	256.89	359.01	534.21
Total	-	9.86	256.89	359.01	534.21

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Notes to the reformatted standalone financial information

(Amount in notes are stated in Rupees in crore)

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
15.1 Debt instruments includes interest accrued of :	-	0.18	3.00	8.01	4.14
15.2					
Aggregate book value of quoted stock in trade	-	-	253.89	351.00	81.79
Aggregate book value of unquoted stock in trade	-	9.68	-	-	448.28
Aggregate market value of quoted stock in trade	-	-	254.27	360.15	81.80
Aggregate provision for mark to market loss	-	-	1.96	-	-
15.3					
Debt instruments of bodies corporate lying in stock-in-trade at the year end are as follows:					
Quoted					
980 18% Marvel Omega Builders Private Limited 2015- NCD			0.20	62.65	78.12
Unquoted					
10,000 Canara Bank Limited- CD (Maturity 02 June 2014)					98.38
10,000 Punjab National Bank Limited- CD (Maturity 13 June 2014)					98.09
10,000 State Bank of Mysore Limited- CD (Maturity 10 June 2014)					98.18
10,000 Vijaya Bank Limited- CD (Maturity 16 June 2014)					98.00
350 18.75% Century Real Estate Holding Private Limited 2014- NCD					20.40
650 19% Century Rent Estate Holding Private Limited 2014- NCD					37.89

16 CASH AND BANK BALANCES

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
a) Cash and cash equivalents:					
Cash in hand					
Balances with banks					
- in current accounts	10.45	14.02	24.43	0.68	0.17
- in deposit accounts	185.30	177.75	615.20	4.75	18.66
	195.75	191.77	639.63	5.43	18.83
b) Other bank balances					
In deposit accounts under lien against which overdraft facilities are availed (Refer note 16.1)	205.50	60.00	60.00	377.00	366.00
Total	401.25	251.77	699.63	382.43	384.83
16.1 Overdraft facilities remained outstanding as at year end	-	-	-	2.43	51.48

17 SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Unsecured, unless otherwise stated					
Loan funds:					
Secured	3,161.72	2,281.36	1,661.97	2,526.40	1,617.44
Unsecured	56.84	600.22	353.40	3.99	74.12
Income accrued on loan funds	41.53	30.93	16.68	24.99	38.36
Security deposits	-	-	-	-	0.04
Other advances *	90.20	2.42	7.16	0.73	0.42
Total	3,350.29	2,914.93	2,039.21	2,556.11	1,730.38

* includes prepaid expenses, goods and service tax input credit receivable, receivable on account of warehousing investments, etc.

18 Other Current Assets

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
Accrued interest on deposits with banks	0.24	0.14	0.43	3.88	8.04
Redemption proceeds receivable from Mutual Fund	-	-	38.49	-	-
Total	0.24	0.14	38.92	3.88	8.04

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Notes to the reformatted standalone financial information

(Amount in notes are stated in Rupees in crore)

19 REVENUE FROM OPERATIONS

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
Revenue from Operating Activities					
Income from funding activities	770.19	603.03	463.90	540.29	394.87
Income from trading in debt instruments (net)	5.58	36.70	31.68	84.51	74.84
Interest/ premium on debentures	35.18	7.59	-	1.63	-
Advisory and other fees	61.56	32.81	32.26	31.73	20.29
Total	872.51	680.13	527.84	658.16	490.00

20 OTHER INCOME

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
other Income					
Interest on Fixed Deposit with Banks	0.12	2.62	6.62	26.00	32.34
Interest on Others	0.55	1.16	0.60	0.00	0.00
	0.67	3.78	7.22	26.00	32.34
Dividend on Investments					
Current investments	-	-	20.97	1.53	1.15
Non-current investments	-	0.07	0.06	0.00	0.00
	-	0.07	21.03	1.53	1.15
Profit on sale of Investment					
Current investments	30.25	16.65	2.78	3.19	2.48
Non-current investments	-	-	-	13.27	3.21
	30.25	16.65	2.78	16.46	5.69
Provision for bonus written back	0.14	1.26	0.23	0.12	-
Provision for doubtful loans written back	4.14	4.47	0.30	0.19	-
profit on sale of Fixed Assets	0.13	-	0.03	-	-
Miscellaneous Income	0.08	0.04	0.05	0.02	0.01
Total	35.41	26.27	31.64	44.32	39.19

# Denotes amount below Rupees.50,000/-

21 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
Salaries, bonus, other allowances and benefits*	37.74	22.25	14.91	26.41	29.56
Contribution to provident and other funds (Refer note 27)	1.33	0.77	0.46	0.65	0.62
Gratuity (refer note 27)	0.56	0.24	0.19	0.19	0.10
Staff welfare expenses	0.20	0.11	0.08	0.08	0.04
Remeasurement of defined benefit obligations	-	-	-	-	-
Total	39.83	23.37	15.64	27.33	30.32
* Net of recoveries :	8.00	7.94	6.60	-	-

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Notes to the reformatted standalone financial information

(Amount in notes are stated in Rupees in crore)

22 FINANCE COSTS

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
Interest expense:					
- on Fixed Loans	488.14	343.13	272.12	364.07	268.93
- on bank overdraft	0.57	0.75	2.37	9.08	7.01
- on others	0.16	0.23	0.47	0.19	0.28
Total	488.87	344.11	274.96	373.34	276.22

23 PROVISION FOR LOANS

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
Provision on standard assets	2.22	-	-	-	-
Provision on non-performing assets	1.68	-	-	2.32	1.22
Total	3.90	-	-	2.32	1.22

24 OPERATING AND OTHER EXPENSES

	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014
Professional and consultancy charges	9.45	4.73	2.37	2.96	4.16
Space and other related costs*	10.42	7.47	5.38	6.20	7.01
Rates and taxes	5.83	8.34	3.30	3.28	2.25
Membership and subscription	0.90	0.55	0.54	0.77	0.66
Manpower cost	0.85	0.67	0.47	0.34	0.33
Auditors' remunerntion (Refer note 26)	0.12	0.14	0.23	0.20	0.14
Electricity	0.68	0.40	0.35	0.40	0.19
Communication expenses	0.10	0.09	0.09	0.13	0.16
Travelling and conveyance	0.71	0.47	0.37	0.39	0.37
Insurance	0.28	0.24	0.19	0.22	0.25
Printing and stationery	0.10	0.05	0.05	0.06	0.06
Repairs and maintenance - others	0.64	0.27	0.49	0.65	0.71
Loss on fixed assets sold / discarded (net)	-	0.25	-	0.01	-
Loss on sale of long term investment	-	0.41	-	-	-
Loan funds written off	4.16	0.55	-	0.19	-
Donations	6.26	5.70	5.28	3.87	0.46
Directors' commission	2.16	1.15	0.21	0.23	0.22
Sitting fees to directors	0.14	0.15	0.13	0.13	0.05
Miscellaneous expenses	2.35	1.83	1.00	0.85	1.05
Total	45.15	33.46	20.45	20.88	18.07
* Net of recoveries :	0.03	0.03	0.06	0.05	-

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(Amount in notes are stated in Rupees in crore)

		As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014
25	**Contingent liabilities and commitments**					
a)	Contingent Liabilities not provided for in respect of					
	Financial Year 2017-18					
	Estimated liability on account of disallowance u/s 14A of Income Tax Act 1961, for AY 2010-11 for which appeal was pending before Income Tax Appellate Tribunal (ITAT). Now during the FY18 the order has been decided in our favour.	-				
	Financial Year 2016-17 and 2015-16					
	Estimated liability on account of disallowance u/s 14A of Income Tax Act 1961, for AY 2010-11 for which appeal was pending before Income Tax Appellate Tribunal (ITAT). The Company is hopeful in succeeding in the aforesaid matters.		0.30	0.30		
	Financial Year 2014-15 and 2013-14					
	Estimated liability on account of disallowance u/s 14A of Income Tax Act 1961, for AY 2009-10 to AY 2010-11 for which appeal was pending before CIT(Appeals). The Company is hopeful in succeeding in the aforesaid matters.				-	0.53
b)	Capital Commitments:					
	Estimated amount of contracts remaining to be executed on capital account and not provided for	1.14	4.20	0.62	0.08	0.23
26	**Payment to Auditors: (Excluding service tax/ goods and service tax)**					
	Audit Fees	0.08	0.08	0.17	0.08	0.08
	In any other manner (Certifications, limited reviews, etc.)	0.04	0.06	0.06	0.12	0.06
	Out of pocket	# 0.00	# 0.00	# 0.00	# 0.00	# 0.00
	Total	0.12	0.14	0.23	0.20	0.14
	# Denotes amount below Rupees 50,000/-					

27 **Employee Benefits**

a) **Short term employee benefits:**

Financial Year 2017-18, 2016-17, 2015-16 and 2014-15

The Company provides for accumulated compensated absences as at each balance sheet date using full cost method to the extent leave will be utilised. The charge for the current year is disclosed under salaries, bonus, other allowances and benefits.

b) **Defined contribution plan:**

Financial Year 2017-18, 2016-17, 2015-16, 2014-15

Contributions are made to Government Provident Fund and Family Pension Fund which covers all regular employees. While both the employees and the Company make predetermined contributions to the provident fund, contribution to the family pension fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans, aggregate Rs.1.33 Crore, Rs.0.74 Crore, Rs.0.46 Crore and Rs.0.65 Crore for Financial Year 2017-18, 2016-17, 2015-16 and 2014-15 respectively.

Financial Year 2013-14

Both the employees and the company make predetermined contribution to the Provident Fund. Amount recognised as expense amount to Rs 0.62 Crore (Previous year Rs.0.54 Crore)

c) **Defined Benefit Plan: [Gratuity (Unfunded)]**

I. Reconciliation of liability recognised in the Balance Sheet	2017-18	2016-17	2015-16	2014-15	2013-14
Fair value of plan assets as at the end of the year	-	-	-	-	-
Present value of obligation as at the end of the year	1.58	1.03	0.83	0.93	0.97
Net liability in the Balance Sheet	1.58	1.03	0.83	0.93	0.97
II. Movement in net liability recognised in the Balance Sheet					
Net liability as at the beginning of the year	1.03	0.83	0.93	0.97	0.90
Net expense recognised in the statement of profit and loss	0.56	0.24	0.19	0.19	0.10
Liabilities Assumed on Acquisition / (Settled on Divestiture)	0.07	0.05	(0.13)	(0.19)	0.01
Payments during the year	(0.07)	(0.09)	(0.15)	(0.05)	(0.04)
Net liability as at the end of the year	1.58	1.03	0.83	0.93	0.97
III. Expense recognised in the statement of profit and loss (Under the head employee benefit expenses)					
Current Service Cost	0.16	0.08	0.07	0.07	0.07
Interest Cost	0.08	0.07	0.07	0.09	0.08
Past Service Cost	0.43	-	-	-	-
Actuarial Losses/ (Gains)	(0.11)	0.09	0.05	0.04	(0.05)
Expenses charged to statement of profit and loss	0.56	0.24	0.19	0.19	0.10
IV. Reconciliation of defined benefit commitments					
Commitments at the beginning of the year	1.03	0.83	0.93	0.97	0.90
Current Service Cost	0.16	0.08	0.07	0.07	0.07
Interest Cost	0.08	0.07	0.07	0.09	0.08
Past Service Cost	0.43	-	-	-	-
Actuarial Losses/ (Gains)	(0.11)	0.09	0.05	0.04	(0.05)
Liabilities Assumed on Acquisition / (Settled on Divestiture)	0.07	0.05	(0.13)	(0.19)	0.01
Benefits Paid	(0.07)	(0.09)	(0.15)	(0.05)	(0.04)
Commitments at the year end	1.58	1.03	0.83	0.93	0.97
V. Experience Adjustments					
Defined Benefit Obligation	1.58	1.03	0.83	0.93	0.97
Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	(1.58)	(1.03)	(0.83)	(0.93)	(0.97)
Experience Adj. on Plan Liabilities	(0.03)	0.03	0.05	(0.03)	0.04
Experience Adj. on Plan Assets	-	-	-	-	-
VI. Actuarial Assumptions					
Mortality table	Indian Assured Lives (06-08) Ultimate	Indian Assured Lives (06-08) Ultimate	Indian Assured Lives (06-08) Ultimate	Indian Assured Lives (06-08) Ultimate	Indian Assured Lives (06-08) Ultimate
Discount rate (per annum)	7.85%	7.20%	7.95%	8.00%	9.10%
Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary

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28 Lease Transactions:

a) Finance leases

Financial year 2017-18

The Company has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year end are as under:

Due	Total Minimum Lease Payments outstanding as at the year end	Interest expenses	Present value of the minimum lease payments
Not later than one year	0.02	0.01	0.01
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-
TOTAL	0.02	0.01	0.01

Financial year 2016-17

The Company has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year end are as under:

Due	Total Minimum Lease Payments outstanding as at the year end	Interest expenses	Present value of the minimum lease payments
Not later than one year	0.46	0.12	0.34
Later than one year and not later than five years	0.48	0.09	0.39
Later than five years	-	-	-
TOTAL	0.94	0.21	0.73

Financial year 2015-16

The Company has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year end are as under:

Due	Total Minimum Lease Payments outstanding as at the year end	Interest expenses	Present value of the minimum lease payments
Not later than one year	0.72	0.22	0.50
Later than one year and not later than five years	0.94	0.21	0.73
Later than five years	-	-	-
TOTAL	1.66	0.43	1.23

Financial year 2014-15

The Company has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year end are as under:

Due	Total Minimum Lease Payments outstanding as at the year end	Interest expenses	Present value of the minimum lease payments
Not later than one year	0.47	0.11	0.36
Later than one year and not later than five years	0.22	0.03	0.19
Later than five years	-	-	-
TOTAL	0.69	0.14	0.55

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Financial year 2013-14

The Company has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year end are as under:

Due	Total Minimum Lease Payments outstanding as at the year end	Interest expenses	Present value of the minimum lease payments
Not later than one year	0.60	0.19	0.41
Later than one year and not later than five years	0.72	0.14	0.58
Later than five years	-	-	-
TOTAL	1.32	0.33	0.99

b) Operating leases

The Company has taken certain premises on non-cancellable operating lease basis. The tenure of such agreements ranges upto 60 months. The minimum lease rentals outstanding in respect of these are as under:

Due	Total Minimum Lease Payments outstanding as at March 31, 2018	Total Minimum Lease Payments outstanding as at March 31, 2017	Total Minimum Lease Payments outstanding as at March 31, 2016	Total Minimum Lease Payments outstanding as at March 31, 2015	Total Minimum Lease Payments outstanding as at March 31, 2014
Not later than one year	9.20	-	4.37	4.37	5.08
Later than one year and not later than five years	36.05	-	11.16	17.46	0.30
Later than five years	-	-	-	-	-
TOTAL	45.25	-	15.53	21.83	5.38

The Company has taken certain assets (Premises and Furniture and Fixtures) on cancellable operating lease for the period of 12 to 60 months.

Operating leases payments recognised in the Statement of Profit and Loss for the year	8.32	-	5.44	6.25	7.01

The Company has taken certain assets (Premises and Furniture and Fixtures) on cancellable operating lease for the period of 33 months to 60 months.

29 Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Profit after tax attributable to equity shareholders (Rupees in	212.93	197.23	167.43	188.29	134.80
Weighted average number of shares outstanding during the year	544,500,000	544,500,000	544,500,000	544,500,000	544,500,000
Basic and Diluted Earnings per share (Rupees)	3.91	3.62	3.08	3.46	2.48
Nominal value per share (Rupees)	10.00	10.00	10.00	10.00	10.00

30 Expenditure in Foreign Currency:

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Reimbursement of expenses	-	#	-	-	-
Subscription fees	-	-	-	0.02	-
Travelling expenses	-	-	0.01	-	-

# Denotes amount below Rupees.50,000/-

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31 **Related Party Disclosure:**
Names of related parties and description of Relationship

(i) ***Names of related parties and description of relationship where control exists***

Holding Company
JM Financial Limited

Subsidiaries
JM Financial Home Loans Limited (with effect from December 16,2016)

(ii) ***Names of related parties and description of relationship where transactions have taken place***

(A) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprises.

Holding Company
JM Financial Limited

Subsidiaries
JM Financial Home Loans Limited (with effect from December 16, 2016)
JM Financial Services Limited (upto June 18, 2015)
JM Financial Commtrade Limited (Downstream subsidiary- upto June 18, 2015)
Astute Investments (Downstream subsidiary- partnership firm- upto June 18, 2015)

Fellow Subsidiaries
JM Financial Properties & Holdings Limited
JM Financial Credit Solutions Limited (formerly known as FICS Consultancy Services Limited)
JM Financial Capital Limited
Infinite India Investment Management Limited
JM Financial Services Limited (with effect from June 19, 2015)
JM Financial Commtrade Limited (with effect from June 19, 2015)
Astute Investments (partnership firm- with effect from June 19, 2015)
CR Retail Malls (India) Limited (with effect from March 29, 2014)
JM Financial Investment Managers Limited (upto January 18 2018)
JM Financial Institutional Securities Limited (upto January 18, 2018)
JM Financial Asset Management Limited (formerly known as JM Financial Asset Management Private Limited)
JM Financial Asset Reconstruction Company Private Limited (upto March 31, 2015)

(B) Key Management Personnel and relatives of such Personnel:
Mr. Vishal Kampani
Mr. V.P. Shetty (upto March 31, 2015)

(C) Enterprises over which any person described in (B) is able to exercise significant influence:
JSB Securities Limited
J.M. Financial & Investment Consultancy Services Private Limited
JM Financial Asset Reconstruction Company Limited (formerly known as JM Financial Asset Reconstruction Company Private Limited)

(D) Associates and Joint Ventures of the reporting enterprise and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint ventures:
Associate:
CR Retail Malls (India) Limited (till March 28, 2014)

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(iii) *Details of transactions with related parties*

Name of the related party	Nature of relationship	2017-18	2016-17	2015-16	2014-15	2013-14
JM Financial Limited	(A)					
Dividend paid		49.01	98.01	49.01	14.70	49.01
Sales of Pref shares of JM Financial Properties & Holdings Limited		95.05	-	-	-	-
Inter Corporate Deposit taken		345.00	-	-	45.00	-
Inter Corporate Deposit repaid		345.00	-	-	45.00	-
Interest expenses on ICD taken		0.19	-	-	0.01	-
Reimbursement of employees expenses		1.94	0.92	0.77	1.28	1.25
Transfer of vehicle loan		-	-	0.30	-	-
Transfer of vehicle		-	-	0.27	-	-
Purchase of Pref shares of JM Financial Properties & Holdings Limited		-	-	-	95.05	-
Sale of equity shares of JM Financial Services Limited		-	-	95.00	-	-
JM Financial Home Loan Limited	(A)					
Investment in equity shares		20.00	12.00	-	-	-
Recovery of expenses		-	0.13	-	-	-
Sale of Fixed Assets		0.12	-	-	-	-
JM Financial Services Limited	(A)					
Inter Corporate Deposits given		615.00	500.00	230.00	77.00	141.50
Inter Corporate Deposits repaid		615.00	500.00	230.00	77.00	141.50
Issue of market linked debentures		68.89	104.76	-	-	-
Interest income on Inter Corporate Deposits given		0.52	0.50	0.25	0.10	0.14
Arrangers Fees/ Brokerage charges		0.08	0.01	-	-	-
Demat charges paid		#	#	-	-	-
Brokerage Paid		-		-	0.02	-
Transfer of Gratuity Liability		0.01	-	-	0.01	-
Closing balance as at the year end - (credit)		-	-	-	(0.01)	-
JM Financial Properties & Holdings Limited	(A)					
Inter Corporate Deposits given		13.07	139.55	-	10.00	0.30
Inter Corporate Deposits repaid		61.07	91.55	-	10.00	37.15
Interest income on Inter Corporate Deposits given		2.06	1.81	-	0.17	0.54
Space & other related cost paid		8.32	5.60	3.68	4.25	4.39
Reimbursement of expenses (paid)		1.52	2.08	0.62	0.77	0.61
Reimbursement of expenses (received)		-	-	-	#	-
Transfer of gratuity liability paid		-	-	-	#	-
Refund of Property Deposit		8.00	-	-	1.28	-
Security Deposits given		-	2.82	-	-	-
Closing balance as at the year end - ICD given - debit		-	48.00	-	-	-
Closing balance as at the year end - Security Deposit given - debit		-	8.00	5.17	5.17	6.46
Closing balance as at the year end - Transfer of gratuity liability - (credit)		-	-	-	#	-

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Notes to the reformatted standalone financial information

Name of the related party	Nature of relationship	2017-18	2016-17	2015-16	2014-15	2013-14
JM Financial Institutional Securities Limited	(A)					
Inter Corporate Deposits given		-	-	30.00	-	244.30
Inter Corporate Deposits repaid		-	-	30.00	-	244.30
Interest income on Inter Corporate Deposits given		-	-	0.01	-	0.21
Transfer of Gratuity liability received		0.07	-	-	-	-
Reimbursement of expenses (paid)		0.01	0.03	0.01	0.66	0.03
Gratuity liability received on transfer of employees		-	-	-	#	-
Closing balance as at the year end - (credit)		-	-	-	-	#
JM Financial Investment Managers Limited	(A)					
Inter Corporate Deposits given		2.85	2.70	7.40	16.00	70.00
Inter Corporate Deposits repaid		2.85	5.20	4.90	16.00	70.00
Interest income on Inter Corporate Deposits given		0.02	0.24	0.27	0.35	0.04
Reimbursement of Expenses		0.12	-	-	-	-
Sale of Investments		-	-	-	-	18.61
Closing Balance as at the year end - ICD given - debit		-	-	2.50	-	-
Astute Investments	(A)					
Loan Given		311.12	227.56	34.27	-	-
Loan repaid		311.12	227.56	34.27	-	-
Interest income on loan given		0.68	0.24	0.03	-	-
Recovery of rent expenses		0.03	0.03	0.06	0.05	-
Infinite India Investment Management Limited	(A)					
Gratuity liability received on transfer of employees		-	-	-	0.01	-
JM Financial Capital Limited	(A)					
Inter Corporate Deposits given		349.00	2.70	-	-	-
Inter Corporate Deposits repaid		349.00	2.70	-	-	-
Interest income on Inter Corporate Deposits taken		0.36	0.01	-	-	-
Inter Corporate Deposits taken		137.00	-	-	-	-
Inter Corporate Deposits repaid		137.00	-	-	-	-
Interest expenses on Inter Corporate Deposits taken		0.03	-	-	-	-
Transfer of Gratuity Liability		0.04	-	-	-	-
Transfer of Staff Loan Liability (Recd)		#	-	-	-	-

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Name of the related party	Nature of relationship	2017-18	2016-17	2015-16	2014-15	2013-14
JM Financial Credit Solutions Limited	(A)					
Inter Corporate Deposits taken		-	75.00	-	289.50	-
Inter Corporate Deposits repaid		-	75.00	-	289.50	-
Inter Corporate Deposits given		125.00	130.00	250.50	413.10	-
Inter Corporate Deposits repaid		125.00	130.00	250.50	413.10	-
Interest income on Inter Corporate Deposits given		0.19	0.08	1.11	0.71	-
Interest expenses on Inter Corporate Deposits taken		-	0.02	-	0.31	-
Recovery of expenses/support service charges		8.00	7.94	6.60	0.07	-
Transfer of gratuity liability paid		-	0.04	-	0.18	-
Transfer of vehicle loan		-	-	-	0.02	-
Sale of fixed assets		-	-	-	0.06	-
Closing balance as at the year end - debit		-	0.99	6.90	-	-
CR Retail Malls (India) Limited	(A)/ (D)					
Inter Corporate Deposits given		97.72	1.50	35.00	9.25	3.25
Inter Corporate Deposits repaid		67.72	1.50	35.00	19.25	-
Interest income on Inter Corporate Deposits given		0.92	#	0.45	1.15	0.81
Closing balance as at the year end - debit		30.00	-	-	-	10.00
JM Financial Commtrade Limited	(A)					
Inter Corporate Deposits given		-	10.00	10.00	-	-
Inter Corporate Deposits repaid		-	10.00	10.00	-	-
Interest income on Inter Corporate Deposits given		-	0.03	0.07	-	-
JM Financial Asset Reconstruction Company Limited	(A)/ (C)					
Inter Corporate Deposits given		200.00	-	-	350.00	50.00
Inter Corporate Deposits repaid		200.00	-	-	400.00	-
Interest income on Inter Corporate Deposits given		0.55	-	-	4.00	0.06
Transfer of Gratuity Liability		0.04	-	-	-	-
Management Fees Paid		0.42	-	-	-	-
Closing balance as at the year end - ICD - debit		-	-	-	-	50.00
Closing balance as at the year end - Interest Receivable (net of TDS) - debit		-	-	-	-	0.05

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Name of the related party	Nature of relationship	2017-18	2016-17	2015-16	2014-15	2013-14
Mr. Vishal Kampani	(B)					
Managerial remuneration		13.17	11.23	8.50	7.00	7.01
Closing Balance as at the year end - (credit)		(11.50)	(10.00)	(7.50)	(6.00)	(5.50)
Mr. V.P. Shetty	(B)					
Managerial remuneration		-	-	-	2.75	2.69
Closing Balance as at the year end - (credit)		-	-	-	(1.75)	(1.50)
J. M. Financial & Investment Consultancy Services Private Limited	(C)					
Transfer out of fixed assets		-	-	0.18	-	-
Transfer out of vehicle loan		-	-	0.22	-	-
Reimbursement of expenses (paid)		-	-	-	-	0.01
Gratuity liability received on transfer of employees		-	-	-	-	0.01
Staff loan balance transferred on transfer of employees		-	-	-	-	0.02
JSB Securities Limited	(C)					
Space cost paid		-	0.50	-	-	-
Security Deposits given		-	0.60	-	-	-
Security Deposits refunded		-	0.60	-	-	-

# Denotes amount below Rupees.50,000/-

29.1 There are no provision for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.

29.2 Managerial remuneration excludes provision for gratuity as the incremental liability has been accounted for by the Company as a whole.

29.3 The transactions disclosed above are exclusive of Service Tax / Goods and Services Tax.

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32 Segment Information:

a) Primary Segment of the Company is business segment. Segments have been identified and reported taking into account the nature of services, the differing risks and returns and the internal reporting structure. The Company has identified two business segments:

- Fund Based Activities: This includes Margin Funding, Initial Public Offering Funding, Loan Against Shares, Wholesale loans etc.
- Trading in Debt Securities: This includes purchase and sale of debt securities and related interest income thereon.

b) Revenues and expenses have been identified to a segment on the basis of relationships to operating activities of the segment. Revenue and expenses which relates to Company as a whole and are not allocable to a segment on a reasonable basis have been disclosed as " unallocable"

Investments, tax related / other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as "unallocable".

c) Segment information for primary segment reporting (by Business Segment):

Particulars	2017-18			2016-17			2015-16			2014-15			2013-14		
	Funding based activities	Trading in Debt Securities	Total	Funding based activities	Trading in Debt Securities	Total	Funding based activities	Trading in Debt Securities	Total	Funding based activities	Trading in Debt Securities	Total	Funding based activities	Trading in Debt Securities	Total
Segment Revenue	866.93	5.58	872.51	643.43	36.70	680.13	496.17	31.67	527.84	573.65	84.51	658.16	415.17	74.84	490.01
Less:															
Other Income													0.01	-	0.01
Revenue from Operations													415.16	74.84	490.00
Segment Results before unallocated interest and taxes	300.06	0.73	300.79	264.85	19.21	284.06	213.69	7.19	220.88	213.37	23.76	237.13	135.19	30.47	165.66
Unallocable Corporate Income/ (Expenses) (Net)			26.86			19.27			26.01			40.06			36.43
Profit before Tax			327.65			303.33			246.89			277.19			202.09
Tax Expense			114.72			106.10			79.45			88.92			67.30
Net Profit after Tax			212.93			197.23			167.43			188.27			134.79
Other Information:															
Segment Assets	7,004.78	10.20	7,014.98	5,609.64	20.04	5,629.68	3,355.67	266.98	3,622.65	3,629.84	412.45	4,042.29	2,998.35	591.11	3,589.46
Unallocable Corporate Assets			237.75			327.39			686.80			506.70			444.04
Total Assets			7,252.73			5,957.07			4,309.45			4,548.99			4,033.50
Segment Liabilities	5,742.37	9.54	5,751.91	4,609.31	1.20	4,610.51	2,779.53	259.27	3,038.80	3,000.99	380.01	3,381.00	2,469.80	563.14	3,032.94
Unallocable Corporate Liabilities			4.57			3.77			65.13			69.93			25.23
Total Liabilities			5,756.48			4,614.28			3,103.93			3,450.93			3,058.17
Capital Expenditure	3.24	-	3.24	3.51	-	3.51	1.94	-	1.94	0.92	-	0.92	2.54	0.00	2.54
Depreciation/ Amortization	2.52	0.00	2.52	2.12	0.01	2.13	1.53	0.02	1.55	1.34	0.05	1.39	1.21	0.05	1.26
Non Cash Expenditure	-	-	-	-	-	-	-	-	-	2.32	-	2.32	-	-	-

# Denotes amount below Rupees 50,000/-

d) The Company operates in only one geographical segment and hence no further information is provided.

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33 Employee Stock Option Scheme:

Financial Year 2017-18

Based on the request made by JM Financial Products Limited ('the Company'), JM Financial Limited, in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company. 523,817 stock options have been granted on April 21, 2011, 745,329 stock options have been granted on April 16, 2012, 724,998 stock options have been granted on May 6, 2013, 947,991 stock option have been granted on April 01, 2014, 173,991 stock option have been granted on April 16, 2015 , 244,794 stock option have been granted on May 12, 2016 and 208,635 stock option have been granted on April 20, 2017. The particulars of vesting of the stock options granted to the Employees are given in the below table.

The option shall be eligible for vesting as per following schedule:

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (Rupees)
21st April, 2012	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2013	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2014	Series - IV	174,605	Vested	Seven years from the date of Grant	1
16th April, 2013	Series - V	248,443	Vested	Seven years from the date of Grant	1
16th April, 2014	Series - V	248,443	Vested	Seven years from the date of Grant	1
16th April, 2015	Series - V	248,443	Vested	Seven years from the date of Grant	1
6th May, 2014	Series - VI	241,666	Vested	Seven years from the date of Grant	1
6th May, 2015	Series - VI	241,666	Vested	Seven years from the date of Grant	1
6th May, 2016	Series - VI	241,666	Vested	Seven years from the date of Grant	1
1st April, 2015	Series - VII	315,997	Vested	Seven years from the date of Grant	1
1st April, 2016	Series - VII	315,997	Vested	Seven years from the date of Grant	1
1st April, 2017	Series - VII	315,997	Vested	Seven years from the date of Grant	1
16th April, 2016	Series - VIII	57,997	Vested	Seven years from the date of Grant	1
16th April, 2017	Series - VIII	57,997	Vested	Seven years from the date of Grant	1
16th April, 2018	Series - VIII	57,997	To be vested	Seven years from the date of Grant	1
12th May, 2016	Series - IX	81,598	Vested	Seven years from the date of Grant	1
12th May, 2017	Series - IX	81,598	Vested	Seven years from the date of Grant	1
12th May, 2018	Series - IX	81,598	To be vested	Seven years from the date of Grant	1
21st April 2018	Series - X	69,545	To be vested	Seven years from the date of Grant	1
21st April 2019	Series - X	69,545	To be vested	Seven years from the date of Grant	1
21st April 2020	Series - X	69,545	To be vested	Seven years from the date of Grant	1

The current status of the stock options granted to the Employees is as under:

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	597,210	568,660
Granted during the year	208,635	244,794
Transfer in/ (out) during the year	128,862	12,022
Lapsed/ forfeited during the year	30,000	3,999
Exercised during the year	245,351	224,267
Outstanding at the end of the year	659,356	597,210
Exercisable at the end of the year	136,666	104,423

The charge on account of the above scheme is included in employee benefits expense aggregating Rs.1.94 Crore (Previous year Rs.0.92 Crore).Since the options are granted by JM Financial Limited, the Holding company, basic and diluted earnings per share of the Company would remain unchanged.

Financial Year 2016-17

Based on the request made by JM Financial Products Limited ('the Company'), JM Financial Limited, in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company. 523,817 stock options have been granted on April 21, 2011, 745,329 stock options have been granted on April 16, 2012, 724,998 stock options have been granted on May 6, 2013, 947,991 stock option have been granted on April 01, 2014, 173,991 stock option have been granted on April 16, 2015 and 244,794 stock option have been granted on May 12, 2016. The particulars of vesting of the stock options granted to the Employees are given in the below table.

JM Financial Products Limited

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The option shall be eligible for vesting as per following schedule:

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (Rupees)
21st April, 2012	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2013	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2014	Series - IV	174,605	Vested	Seven years from the date of Grant	1
16th April, 2013	Series - V	248,443	Vested	Seven years from the date of Grant	1
16th April, 2014	Series - V	248,443	Vested	Seven years from the date of Grant	1
16th April, 2015	Series - V	248,443	Vested	Seven years from the date of Grant	1
6th May, 2014	Series - VI	241,666	Vested	Seven years from the date of Grant	1
6th May, 2015	Series - VI	241,666	Vested	Seven years from the date of Grant	1
6th May, 2016	Series - VI	241,666	Vested	Seven years from the date of Grant	1
1st April, 2015	Series - VII	315,997	Vested	Seven years from the date of Grant	1
1st April, 2016	Series - VII	315,997	Vested	Seven years from the date of Grant	1
1st April, 2017	Series - VII	315,997	To be vested	Seven years from the date of Grant	1
16th April, 2016	Series - VIII	57,997	Vested	Seven years from the date of Grant	1
16th April, 2017	Series - VIII	57,997	To be vested	Seven years from the date of Grant	1
16th April, 2018	Series - VIII	57,997	To be vested	Seven years from the date of Grant	1
12th May, 2016	Series - IX	81,598	Vested	Seven years from the date of Grant	1
12th May, 2017	Series - IX	81,598	To be vested	Seven years from the date of Grant	1
12th May, 2018	Series - IX	81,598	To be vested	Seven years from the date of Grant	1

The current status of the stock options granted to the Employees is as under:

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	568,660	864,081
Granted during the year	244,794	173,991
Transfer in/ (out) during the year	12,022	-
Lapsed/ forfeited during the year	3,999	56,787
Exercised during the year	224,267	412,625
Outstanding at the end of the year	597,210	568,660
Exercisable at the end of the year	104,423	36,311

The charge on account of the above scheme is included in employee benefits expense aggregating Rs.0.92 Crore (Previous year Rs.0.77 Crore).Since the options are granted by JM Financial Limited, the Holding company, basic and diluted earnings per share of the Company would remain unchanged.

Financial Year 2015-16

Based on the request made by JM Financial Products Limited ('the Company'), JM Financial Limited, in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company. 523,817 stock options have been granted on April 21, 2011, 745,329 stock options have been granted on April 16, 2012, 724,998 stock options have been granted on May 6, 2013, 947,991 stock option have been granted on April 01, 2014 and 173,991 stock option have been granted on April 16, 2015. The particulars of vesting of the stock options granted to the Employees are given in the below table.

The option shall be eligible for vesting as per following schedule:

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (Rupees)
21st April, 2012	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2013	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2014	Series - IV	174,605	Vested	Seven years from the date of Grant	1
16th April, 2013	Series - V	248,443	Vested	Seven years from the date of Grant	1
16th April, 2014	Series - V	248,443	Vested	Seven years from the date of Grant	1
16th April, 2015	Series - V	248,443	Vested	Seven years from the date of Grant	1
6th May, 2014	Series - VI	241,666	Vested	Seven years from the date of Grant	1
6th May, 2015	Series - VI	241,666	Vested	Seven years from the date of Grant	1
6th May, 2016	Series - VI	241,666	To be vested	Seven years from the date of Grant	1
1st April, 2015	Series - VII	315,997	Vested	Seven years from the date of Grant	1
1st April, 2016	Series - VII	315,997	To be vested	Seven years from the date of Grant	1
1st April, 2017	Series - VII	315,997	To be vested	Seven years from the date of Grant	1
16th April, 2016	Series - VIII	57,997	To be vested	Seven years from the date of Grant	1
16th April, 2017	Series - VIII	57,997	To be vested	Seven years from the date of Grant	1
16th April, 2018	Series - VIII	57,997	To be vested	Seven years from the date of Grant	1

The current status of the stock options granted to the Employees is as under:

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	864,081	1,379,315
Granted during the year	173,991	947,991
Transfer in/ (out) during the year	-	(845,173)
Lapsed/ forfeited during the year	56,787	-
Exercised during the year	412,625	618,052
Outstanding at the end of the year	568,660	864,081
Exercisable at the end of the year	36,311	46,309

The charge on account of the above scheme is included in employee benefits expense aggregating Rs.0.77 Crore (Previous year Rs.1.27 Crore).Since the options are granted by JM Financial Limited, the Holding company, basic and diluted earnings per share of the Company would remain unchanged.

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Notes to the reformatted standalone financial information

Financial Year 2014-15

Based on the request made by JM Financial Products Limited ('the Company'), JM Financial Limited, in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company. 523,817 stock options have been granted on April 21, 2011, 745,329 stock options have been granted on April 16, 2012, 724,998 stock options have been granted on May 6, 2013 and 947,991 stock option have been granted on April 01, 2014. The particulars of vesting of the stock options granted to the Employees are given in the below table.

The option shall be eligible for vesting as per following schedule:

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (Rupees)
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21st April, 2013	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2014	Series - IV	174,605	Vested	Seven years from the date of Grant	1
16th April, 2013	Series - V	248,443	Vested	Seven years from the date of Grant	1
16th April, 2014	Series - V	248,443	Vested	Seven years from the date of Grant	1
16th April, 2015	Series - V	248,443	To be vested	Seven years from the date of Grant	1
6th May, 2014	Series - VI	241,666	Vested	Seven years from the date of Grant	1
6th May, 2015	Series - VI	241,666	To be vested	Seven years from the date of Grant	1
6th May, 2016	Series - VI	241,666	To be vested	Seven years from the date of Grant	1
1st April, 2015	Series - VII	315,997	To be vested	Seven years from the date of Grant	1
1st April, 2016	Series - VII	315,997	To be vested	Seven years from the date of Grant	1
1st April, 2017	Series - VII	315,997	To be vested	Seven years from the date of Grant	1

The current status of the stock options granted to the Employees is as under:

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	1,379,315	1,127,272
Granted during the year	947,991	724,998
Transfer in/ (out) during the year	(845,173)	-
Lapsed/ forfeited during the year	-	20,454
Exercised during the year	618,052	452,501
Outstanding at the end of the year	864,081	1,379,315
Exercisable at the end of the year	46,309	1,968

The charge on account of the above scheme is included in employee benefits expense aggregating Rs.1.27 Crore (Previous year Rs.1.25 Crore).Since the options are granted by JM Financial Limited, the Holding company, basic and diluted earnings per share of the Company would remain unchanged.

Financial Year 2013-14

Based on the request made by JM Financial Products Limited ('the Company'), JM Financial Limited, in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company. 523,817 stock options have been granted on April 21, 2011, 745,329 stock options have been granted on April 16, 2012 and 724,998 stock options have been granted on May 6, 2013. The particulars of vesting of the stock options granted to the Employees are given in the below table.

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21st April, 2012	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2013	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2014	Series - IV	174,605	To be vested	Seven years from the date of Grant	1
16th April, 2013	Series - V	248,443	Vested	Seven years from the date of Grant	1
16th April, 2014	Series - V	248,443	To be vested	Seven years from the date of Grant	1
16th April, 2015	Series - V	248,443	To be vested	Seven years from the date of Grant	1
6th May, 2014	Series - VI	241,666	To be vested	Seven years from the date of Grant	1
6th May, 2015	Series - VI	241,666	To be vested	Seven years from the date of Grant	1
6th May, 2016	Series - VI	241,666	To be vested	Seven years from the date of Grant	1

The current status of the stock options granted to the Employees is as under:

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	1,127,272	523,817
Granted during the year	724,998	745,329
Transfer in during the year	-	3,934
Lapsed/ forfeited during the year	20,454	-
Exercised during the year	452,501	145,808
Outstanding at the end of the year	1,379,315	1,127,272
Exercisable at the end of the year	1,968	32,732

The charge on account of the above scheme is included in employee benefit expense aggregating Rs. 1.25 Crore (Previous year Rs.0.87 Crore).Since the options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

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34 Disclosure required in terms of Regulation 34(3) and 53(f) of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015/ Clause 28 of the Listing Agreement of Debt Securities:

a) Loans and advances in the nature of loans given to subsidiaries and associates:

Name of the company	Relationship	2017-18		2016-17		2015-16		2014-15		2013-14	
		Maximum Balance	Closing Balance	Maximum Balance	Closing Balance	Maximum Balance	Closing Balance	Maximum Balance	Closing Balance	Maximum Balance	Closing Balance
JM Financial Services Limited	Subsidiary (upto June 17, 2015)										
	Fellow Subsidiary (w.e.f. June 18, 2015)	75.00	-	100.00	-	140.00	-	57.00	-	97.20	-
JM Financial Investment Managers Limited	Fellow Subsidiary (upto January 18 2018)	2.20	-	5.10	-	6.50	2.50	16.00	-	70.00	-
JM Financial Institutional Securities Limited	Fellow Subsidiary (upto January 18 2018)	-	-	-	-	30.00	-	-	-	125.00	-
JM Financial Credit Solutions Limited	Fellow Subsidiary	125.00	-	130.00	-	145.00	-	130.90	-	-	-
JM Financial Properties & Holdings Limited	Subsidiary (upto October 25, 2012)										
	Fellow Subsidiary (w.e.f. October 26, 2012)	54.00	-	48.00	48.00	-	-	10.00	-	36.85	-
JM Financial Commtrade Limited	Fellow Subsidiary	-	-	10.00	-	10.00	-	-	-	-	-
Astute Investments	Fellow Subsidiary	80.93	-	21.36	-	25.00	-	-	-	-	-
CR Retail Malls (India) Limited	Associate (upto March 28, 2014)										
	Fellow Subsidiary (w.e.f. March 29, 2014)	42.61	30.00	1.40	-	35.00	-	19.25	-	10.00	10.00
JM Financial Capital Limited	Fellow Subsidiary	65.00	-	2.70	-	-	-	-	-	-	-
JM Financial Asset Reconstruction Company Limited	Fellow Subsidiary (w.e.f September 30, 2016) Associate of Holding Company	100.00	-	51.00	-	50.00	-	105.00	-	50.00	50.00

b) Loans and advances shown above are interest bearing, repayable on demand and are utilised for their business purposes.

35 Trade Payables

Financial Year 2017-18, 2016-17, 2015-16, 2014-15 and 2013-14

There are no dues payables to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 based on information available with the company.

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-	-	-

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Notes to the reformatted standalone financial information

36 Corporate Governance and Disclosure Norms for NBFCs:
(As stipulated in Annexure 4 of Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15, dated November 10, 2014)

	Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Mar 31, 2016	As at Mar 31, 2015	As at Mar 31, 2014
36.1	**Capital Risk Adequacy Ratio (CRAR):**					
	CRAR (%)	21.67%	21.06%	30.58%	27.26%	25.51%
	CRAR - Tier I capital (%)	21.26%	20.64%	29.92%	26.55%	25.26%
	CRAR - Tier II capital (%)	0.41%	0.42%	0.66%	0.70%	0.24%
	Amount of subordinated debt raised as Tier-II capital	-	-	-	-	-
	Amount raised by issue of Perpetual Debt instruments	-	-	-	-	-
36.2	**Exposures:**					
I	**Exposure to Real Estate Sector**					
a)	**Direct Exposure**					
(i)	**Residential Mortgages-**					
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lakh may be shown separately)	118.49	42.40	35.00	-	-
	Individual housing loans up to Rs. 15 lakh	1.28	-	-	-	-
(ii)	**Commercial Real Estate*-**					
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).					
	Exposure would also include non-fund based (NFB) limits	2,051.97	2,776.63	1,617.08	1,135.41	1,418.00
	* Also includes Commercial Real Estate exposure in Investments.					
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures-**					
	a) Residential,	-	-	-	-	-
	b) Commercial Real Estate.	-	-	-	-	-
b)	**Indirect Exposure**					
	Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	32.00	12.00	-	-	-
II	**Exposure to Capital Market**					
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-	3.03	3.03	-
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	541.19	326.54	267.60	345.48	197.64
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	1,540.24	1,695.70	868.83	2,095.31	1,295.20
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-	-	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	107.33	17.33	2.65	0.35	13.68
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	-	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-	-	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-	-	-	-
	Total Exposure to Capital Market	2,188.76	2,039.57	1,142.11	2,444.17	1,506.52
III	**Details of financing of parent company products**	Nil	Nil	Nil	Nil	Nil
IV	**Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC**	Nil	Nil	Nil	Nil	Nil
V	**Unsecured Advances**					
	Amount of advances given against intangible securities	Nil	Nil	Nil	Nil	Nil

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36.3 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

Financial Year 2017-18

Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowing from Banks	20.00	20.00	20.00	60.00	93.34	586.67	129.99	-	930.00
Market Borrowings	312.20	406.03	760.92	673.42	539.13	1,472.38	439.82	-	4,603.90
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
Assets									
Advances	532.27	483.66	222.18	510.72	1,469.73	2,507.48	717.35	138.89	6,582.28
Deposits	-	-	-	-	-	0.01	0.96	0.01	0.98
Investments	2.27	-	-	-	56.81	-	-	39.52	98.60
Foreign currency assets	-	-	-	-	-	-	-	-	-

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) The above statement includes only certain items of assets and liabilities (as stipulated in Annexure 4 of Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15, dated November 10, 2014) and therefore does not reflect the complete asset liability maturity pattern of the Company

Financial Year 2016-17

Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowing from Banks	-	-	-	-	20.00	257.77	122.23	-	400.00
Market Borrowings	453.61	285.70	661.84	620.95	1,316.83	693.01	77.10	-	4,109.04
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
Assets									
Advances	659.88	285.32	273.79	1,041.72	620.87	1,992.39	482.67	142.18	5,498.82
Deposits	-	-	-	-	0.38	-	8.00	0.01	8.39
Investments	-	-	-	5.71	-	-	-	114.27	119.98
Foreign currency assets	-	-	-	-	-	-	-	-	-

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions

b) The above statement includes only certain items of assets and liabilities (as stipulated in Annexure 4 of Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15, dated November 10, 2014) and therefore does not reflect the complete asset liability maturity pattern of the Company.

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Financial Year 2015-16

Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowing from Banks	140.25	-	-	-	-	200.00	-	-	340.25
Market Borrowings	414.46	500.08	505.67	546.25	401.23	253.73	7.90	-	2,629.32
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
Assets									
Advances	296.44	230.79	470.70	512.12	529.97	1,080.03	44.60	20.33	3,184.98
Deposits	-	-	-	-	-	1.07	5.17	0.01	6.25
Investments	-	7.02	-	-	-	3.03	-	95.05	105.10
Foreign currency assets	-	-	-	-	-	-	-	-	-

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) The above assets does not include Stock-in-Trade acquired from borrowed funds.

c) The above statement includes only certain items of assets and liabilities (as stipulated in Annexure 4 of Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15, dated November 10, 2014) and therefore does not reflect the complete asset liability maturity pattern of the Company.

Financial Year 2014-15

Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowing from Banks	2.43	-	16.67	16.67	33.33	-	-	-	69.10
Market Borrowings	839.99	707.74	367.52	475.00	733.15	110.69	-	-	3,234.09
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
Assets									
Advances	452.34	367.13	501.74	394.80	792.17	1,001.94	27.27	47.93	3,585.32
Deposits	-	-	-	-	-	1.07	5.17	0.01	6.25
Investments	0.43	-	-	-	-	3.03	-	190.05	193.51
Foreign currency assets	-	-	-	-	-	-	-	-	-

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) The above assets does not include Stock-in-Trade acquired from borrowed funds.

c) The above statement includes only certain items of assets and liabilities and therefore does not reflect the complete asset liability maturity pattern of the Company.

Financial Year 2013-14

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowing from Banks	101.48	-	-	12.50	108.33	79.17	-	-	301.48
Market Borrowings	226.29	660.92	313.98	439.17	706.86	297.96	-	-	2,645.18
Assets									
Advances	291.27	225.31	109.47	222.46	869.89	1,223.93	16.04	-	2,958.37
Investments	-	-	-	-	-	-	-	129.44	129.44

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) The above assets does not include Stock-in-Trade acquired from borrowed funds

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36.4 Particulars

Liabilities side

		As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(I)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**										
(a)	Debentures										
	(i) Secured	2,682.79	-	1,040.26	-	263.15	-	366.44	-	559.76	-
	(ii) Unsecured (other than falling within the meaning of public deposits)	318.60	-	177.34	-	-	-	-	-	-	-
(b)	Deferred Credits	-	-	-	-	-	-	-	-	-	-
(c)	Term Loans	930.23	-	400.00	-	300.77	-	66.67	-	200.00	-
(d)	Inter-corporate loans and borrowing	25.53	-	27.07	-	237.21	-	77.18	-	27.09	-
(e)	Commercial Paper (net of unamortised discount)	1,716.20	-	2,894.16	-	1,893.94	-	2,535.13	-	2,082.81	-
(f)	Other Loans (Please Specify)										
	Overdraft Accounts	-	-	-	-	-	-	2.43	-	51.48	-
	Cash Credits	0.14	-	40.74	-	40.74	-	0.13	-	50.00	-
	CBLO Borrowing (net of unamortised discount)	-	-	-	-	242.86	-	274.64	-	-	-
	Due under finance lease	0.01	-	0.73	-	1.23	-	0.56	-	0.99	-

Assets side

		As at March 31, 2018 Amount Outstanding	As at March 31, 2017 Amount Outstanding	As at March 31, 2016 Amount Outstanding	As at March 31, 2015 Amount Outstanding	As at March 31, 2014 Amount Outstanding
(II)	**Break up of Loans and Advances including bills receivables (other than those included in (IV) below):**					
(a)	Secured	6,525.46	4,895.76	2,789.51	3,399.28	2,823.09
(b)	Unsecured	56.84	603.06	353.40	143.99	74.12

		As at March 31, 2018 Amount Outstanding	As at March 31, 2017 Amount Outstanding	As at March 31, 2016 Amount Outstanding	As at March 31, 2015 Amount Outstanding	As at March 31, 2014 Amount Outstanding
(III)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:**					
(a)	Lease assets including lease rentals under sundry debtors:					
	(i) Financial Lease	-	-	-	-	-
	(ii) Operating Lease	-	-	-	-	-
(b)	Stock on hire including hire charges under sundry debtors:					
	(i) Assets on hire	-	-	-	-	-
	(ii) Repossessed Assets	-	-	-	-	-
(c)	Other loans counting towards AFC activities:					
	(i) Loans where assets have been repossessed	-	-	-	-	-
	(ii) Loans other than (a) above	-	-	-	-	-

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		As at March 31, 2018 Amount Outstanding	As at March 31, 2017 Amount Outstanding	As at March 31, 2016 Amount Outstanding	As at March 31, 2015 Amount Outstanding	As at March 31, 2014 Amount Outstanding
(IV)	**Break – up of Investments:**					
(a)	Current Investments:					
	1. Quoted:					
	(i) Shares:					
	(a) Equity	-	-	-	-	-
	(b) Preference	-	-	-	-	-
	(ii) Debentures and Bonds	-	-	-	-	-
	(iii) Units of Mutual Funds	0.26	-	-	#	-
	(iv) Government Securities	-	-	-	-	-
	(v) Others (Please Specify)	-	-	-	-	-
	2. Unquoted:					
	(i) Shares:					
	(a) Equity	-	-	-	-	-
	(b) Preference	-	-	-	-	-
	(ii) Debentures and Bonds	-	-	-	-	-
	(iii) Units of Mutual Funds	2.01	-	-	-	-
	(iv) Government Securities	-	-	-	-	-
	(v) Others (Please Specify)					
	Class A Security Receipts	56.81	5.71	7.02	-	-
(b)	Non Current Investments					
	1. Quoted:					
	(i) Shares:					
	(a) Equity	-	-	3.03	3.03	-
	(b) Preference	-	-	-	-	-
	(ii) Debentures and Bonds	-	-	-	-	-
	(iii) Units of Mutual Funds	-	-	-	-	-
	(iv) Government Securities	-	-	-	-	-
	(v) Others (Please Specify)	-	-	-	-	-
	2. Unquoted:					
	(i) Shares:					
	(a) Equity	32.00	12.00	-	95.00	95.00
	(b) Preference	7.52	95.05	95.05	95.05	34.33
	(ii) Debentures and Bonds	-	7.22	-	-	-
	(iv) Government Securities	-	-	-	-	-
	(v) Others (Please Specify)	-	-	-	-	-

		As at March 31, 2018 Amount Outstanding		As at March 31, 2017 Amount Outstanding		As at March 31, 2016 Amount Outstanding		As at March 31, 2015 Amount Outstanding		As at March 31, 2014 Amount Outstanding	
(V)	**Borrower group – wise classification of assets financed as in (II) and (III) above: (Amount Net of Provision)**	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
	Category										
(a)	Related Parties										
	(i) Subsidiaries	-	-	-	-	-	-	-	-	-	-
	(ii) Companies in the same group	-	30.00	-	48.00	-	2.50	-	-	-	60.00
	(iii) Other related parties	-	-	-	-	-	-	-	-	-	-
(b)	Other than related parties	6,525.46	26.84	4,895.76	555.06	2,789.51	350.90	3,399.28	143.99	2,823.09	14.12
		6,525.46	56.84	4,895.76	603.06	2,789.51	353.40	3,399.28	143.99	2,823.09	74.12
	Total		6,582.30		5,498.82		3,142.91		3,543.27		2,897.21
	Less: Provision for non-performing assets		1.68		4.14		8.62		8.92		5.33
			6,580.62		5,494.68		3,134.29		3,534.35		2,891.88

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		As at March 31, 2018 Amount Outstanding		As at March 31, 2017 Amount Outstanding		As at March 31, 2016 Amount Outstanding		As at March 31, 2015 Amount Outstanding		As at March 31, 2014 Amount Outstanding	
(VI)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)
	Category										
(a)	Related Parties										
	(i) Subsidiaries	30.62	32.00	12.00	12.00	-	-	243.08	95.00	215.22	95.00
	(ii) Companies in the same group *	-	-	95.05	95.05	95.05	95.05	95.05	95.05	-	-
	(iii) Other related parties	-	-	-	-	-	-	-	-	-	-
(b)	Other than related parties **	69.62	66.60	13.43	12.93	10.62	10.05	3.37	3.46	34.44	34.44
		100.24	98.60	120.48	119.98	105.67	105.10	341.50	193.51	249.66	129.44

		As at March 31, 2018 Amount		As at March 31, 2017 Amount		As at March 31, 2016 Amount		As at March 31, 2015 Amount		As at March 31, 2014 Amount	
(VII)	Other Information:										
	Particulars										
(a)	Gross Non – Performing Assets										
	(i) Related Parties		-		-		-		-		-
	(ii) Other than related parties		16.84		4.14		20.33		47.93		11.07
(b)	Net Non – Performing Assets										
	(i) Related Parties		-		-		-		-		-
	(ii) Other than related parties		15.14		-		11.71		39.02		5.74
(c)	Assets acquired in satisfaction of debt		-		-		-		-		-

# Denotes amount below Rupees 50,000/-

* Non cumulative redeemable preference shares and therefore considered at cost.

** cost is considered wherever fair value is not available

36.5 Financial Year 2017-18, 2016-17, 2015-16 and 2014-15

There are no restructured advances as on March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015, hence disclosure of information as required in terms of sub-Para 9 of Paragraph 27 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (issued vide Notification No. DNBR.009/CGM(CDS) -2015 dated March 27, 2015) is not warranted.

Financial Year 2013-14

There are no restructured advances as on March 31, 2014 , hence disclosure of information as required in terms of sub-Para 9 of Paragraph 20B of Non-Banking Financial Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended vide Notification No .DNBS (PD. No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

JM Financial Products Limited
Corporate Identity Number : U74140MH1984PLC033397
Regd. Office: 7th Floor, Cnergy, Appasaheb Maratha Marg, Prabhadevi, Mumbai 400 025.
T: +91 22 6630 3030 F: +91 22 6630 3223 www.jmfl.com

JM FINANCIAL

JM FINANCIAL PRODUCTS LIMITED
Notes to the reformatted standalone financial information

Annexure V

36.6 Investments

	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
(a)	Value of Investments					
(i)	Gross Value of Investments					
	(a) in India	98.60	119.98	105.10	193.51	129.44
	(b) outside India	-	-	-	-	-
(ii)	Provision for					
	(a) in India	-	-	-	-	-
	(b) outside India	-	-	-	-	-
(iii)	Net Value of					
	(a) in India	98.60	119.98	105.10	193.51	129.44
	(b) outside India	-	-	-	-	-
(b)	Movement of provisions held towards depreciation on investments					
(i)	Opening balances	-	-	-	-	-
(ii)	Add : Provisions made during the year	-	-	-	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-	-	-	-
(iv)	Closing balance	-	-	-	-	-

36.7 Additional & Miscellaneous Disclosures:
Financial Year 2017-18, 2016-17, 2015-16 and 2014-15

(I) Registration obtained from other financial sector regulators:
Company has not registered with other financial sector regulators except with Reserve Bank of India.

	2017-18	2016-17	2015-16	2014-15	2013-14
(II) Disclosure of Penalties imposed by RBI and other regulators	Nil	Nil	Nil	Nil	Nil

(III) Ratings assigned by credit rating agencies and migration of ratings during the year:

Rating particulars	Rating Agency	2017-18	2016-17	2015-16	2014-15
Commercial Paper Programme	ICRA Limited	ICRA A1+	ICRA A1+	ICRA A1+	ICRA A1+
	CARE Ratings Limited	Care A1+	-	-	-
	CRISIL Limited	Crisil A1+	Crisil A1+	Crisil A1+	Crisil A1+
Non-Convertible Debentures	ICRA Limited	ICRA AA / Stable	ICRA AA / Stable	ICRA AA / Stable	ICRA AA
	CARE Ratings Limited	Care AA/Stable	-	-	-
	CRISIL Limited	Crisil AA / Stable	Crisil AA / Stable	Crisil AA / Stable	Crisil AA-/ Stable
Bank Loan facility	ICRA Limited	ICRA AA / Stable	ICRA AA / Stable	ICRA AA / Stable	ICRA AA
	CRISIL Limited	Crisil AA / Stable	Crisil AA / Stable	Crisil AA / Stable	Crisil AA-/ Stable
Long Term Principal Protected Equity Linked Debentures Programme	ICRA Limited	PP-MLD[ICRA] AA/ Stable	PP-MLD[ICRA] AA/ Stable	PP-MLD[ICRA] AA/ Stable	PP-MLD[ICRA] AA

(IV) Net Profit or Loss for the period, prior period items and changes in accounting policies:
There are no prior period items and changes in accounting policies impacting net profit for the year.

(V) Revenue Recognition:
Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties.

(VI) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2017-18	2016-17	2015-16	2014-15	2013-14
Provisions for depreciation on Investment	-	-	-	-	-
Provision towards NPA	1.68	-	-	2.32	1.22
Provision made towards income tax	114.68	104.70	78.56	89.50	69.84
Other Provision and Contingencies (with details)	-	-	-	-	-
Provision for Standard Assets	2.22	-	-	-	-

	2017-18	2016-17	2015-16	2014-15	2013-14
(VII) Draw Down from Reserves	Nil	Nil	Nil	Nil	Nil

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI

JM Financial Products Limited

JM FINANCIAL PRODUCTS LIMITED Annexure V

Notes to the reformatted standalone financial information

(VIII) Concentration of Deposits, Advances, Exposures and NPAs

	2017-18	2016-17	2015-16	2014-15
(a) Concentration of Deposits (for deposit taking NBFCs)				
Total Deposits of twenty largest depositors	NA	NA	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA	NA	NA
(b) Concentration of Advances				
Total advances to twenty largest borrowers	3,039.32	2,772.98	1,941.28	1,743.42
Percentage of advances to twenty largest borrowers to total advances of the NBFC	46.17%	53.50%	61.77%	49.20%
(c) Concentration of Exposures				
Total exposure to twenty largest borrowers / customers	3,050.74	2,777.04	1,946.94	1,752.52
Percentage of Exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	46.10%	53.23%	61.53%	49.02%
(d) Concentration of NPAs				
Total exposure to top four NPA accounts	16.83	3.53	16.84	41.83
(e) Sector-wise NPAs				
Percentage of NPAs to Total Advances in that sector				
Sector				
Agriculture & allied activities	-	-	-	-
MSME	-	-	-	-
Corporate borrowers	0.41%	0.05%	0.68%	1.48%
Services	-	-	-	-
Unsecured personal loans	-	-	-	-
Auto loans	-	-	-	-
Other personal loans	-	-	-	-
Other loans	-	0.21%	0.54%	0.76%
(IX) Movement of NPAs				
(i) Net NPAs to Net Advances (%)	0.00%	0.00%	0.37%	1.10%
(ii) Movement of NPAs (Gross)				
(a) Opening balance	4.14	20.32	47.93	11.07
(b) Additions during the year	19.91	0.01	-	118.38
(c) Reductions during the year	7.22	16.19	27.61	81.52
(d) Closing balance	16.83	4.14	20.33	47.93
(iii) Movement of Net NPAs				
(a) Opening balance	-	11.71	39.02	5.74
(b) Additions during the year	17.86	-	-	106.54
(c) Reductions during the year	2.72	11.71	27.31	73.26
(d) Closing balance	15.14	-	11.71	39.02
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)			-	-
(a) Opening balance	4.14	8.61	8.92	5.33
(b) Provisions made during the year	2.05	0.01	2.36	11.84
(c) Write-off / write-back of excess provisions	4.51	4.48	2.67	8.25
(d) Closing balance	1.68	4.14	8.61	8.92
(X) Disclosure of Complaints				
Customer Complaints				
Particulars				
No. of complaints pending at the beginning of the year	-	-	-	-
No. of complaints received during the year	8	-	4	1
No. of complaints redressed during the year	8	-	4	1
No. of complaints pending at the end of the year	-	-	-	-

(XI) Disclosure in respect of derivatives, securitisation transactions, overseas assets (for those with joint ventures and subsidiaries abroad), off balance sheet SPV's sponsored are not applicable for the year to the Company.

JM Financial Products Limited

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI

37 Provision for Standard Assets

To ensure that Non-Banking Financial Companies (NBFC) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a Notification No. DNBS.222/CGM(US)-2011 dated January 17, 2011, requiring all NBFCs to make a general provision at 0.40, 0.35, 0.30, 0.25 and 0.25 per cent of the outstanding standard assets for financial years 2017-18, 2016-17, 2015-16, 2014-15 and 2013-14 respectively. The Company had in the past created provision for standard assets as per guidelines prescribed by the Board of Directors which is sufficient to comply with the aforesaid RBI notification.

Movement in Provision for standard assets:

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
(a) Opening balance as at the beginning of the year	26.27	26.27	26.27	27.72	27.72
(b) Provisions made during the year	2.22	-	-	-	-
(c) Utilisation of Provisions during the year*	-	-	-	9.00	-
(d) Reversal of Provisions during the year*	-	-	-	7.55	-
(e) Closing balance as at the end of the year	28.49	26.27	26.27	26.27	27.72

Note in Financial Year 2014-15

* Utilisation of provisions (net of reversal) of Rs.1.45 crore by way of transfer to provision for doubtful loans.

38 Expenditure towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof):

Particulars	2017-18	2016-17	2015-16	2014-15
Gross amount required to be spent by the Company	5.26	4.70	4.23	3.32
Amount spent and paid during the year by way of donations to charitable trusts	5.26	4.70	4.23	3.32

39 Unhedged Foreign Currency Exposure

Particulars	2017-18	2016-17	2015-16
Foreign Currency Exposure (FCE)	Nil	Nil	Nil
Total credit exposure (sanctioned) from banking system (in Foreign Currency)	Nil	Nil	Nil

40 Financial Year 2016-17

Disclosures as per notification, dated March 30, 2017, issued by Ministry of Corporate Affairs are as follows:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts*	-	0.01	0.01
(-) Permitted payments**	-	0.00	0.00
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	0.01	0.01

# Denotes amount below Rupees.50,000/-

41 Financial Year 2017-18

The Board of Directors of the Company has recommended a final dividend of Rupee 1/- per equity share for the year ended March 31, 2018 (Previous Year Rupee 1/- per equity share). The said dividend will be paid after the approval of shareholders at the Annual General Meeting. However, as per the requirements of revised AS 4, the Company is not required to provide for dividend proposed/ declared after the balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend recommended by the Board of Directors for the year ended March 31, 2018.

Financial Year 2016-17

The Board of Directors of the Company have proposed a dividend of Rupee 1/- per equity share for the year ended March 31, 2017 (Previous Year: Rupee 1/- per equity share). The dividend will be paid after the approval of shareholders at the Annual General Meeting. During the previous year, the Company had made a provision for the dividend declared by the Board of Directors as per the requirement of the Revised Accounting Standard 4- " Contingencies and Events Occurring after the Balance sheet date" (AS-4). However, as per the requirements of revised AS 4, the Company is not required to provide for dividend proposed/ declared after the balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended March 31, 2017. Had the Company continued with the creation of provision for proposed dividend, as at the balance sheet date, its Surplus in Statement of Profit and Loss would have been lower by Rs.59.46 crore and Short Term Provision would have been higher by Rs.59.46 crore (including dividend distribution tax of Rs.10.06 crore).

For and on behalf of the Board of Directors of
JM Financial Products Limited

Director

Chief Financial Officer

Mumbai, dated

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI

Deloitte
Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT ON UNAUDITED SPECIAL PUPROSE INTERIM CONDENSED FINANCIAL INFORMATION

The Board of Directors
JM Financial Home Loans Limited
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400025

Introduction

1. We have reviewed the attached unaudited special purpose interim condensed financial information of **JM Financial Home Loans Limited** ("the Company"), which comprises of the Condensed Unaudited Balance Sheet as at December 31, 2018 and the related Condensed Unaudited Statement of Profit and Loss for the nine months then ended, and selected notes (collectively, the "Unaudited Special Purpose Interim Condensed Financial Information"). The Unaudited Special Purpose Interim Condensed Financial Information has been prepared on the basis stated in Note 1 to the Unaudited Special Purpose Interim Condensed Financial Information. Management is responsible for the preparation and fair presentation of the Unaudited Special Purpose Interim Condensed Financial Information on the basis stated in Note 1. Our responsibility is to issue a report on the Unaudited Special Purpose Interim Condensed Financial Information based on our review.

Scope of review

2. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the Unaudited Special Purpose Interim Condensed Financial Information have not been prepared, in all material respects, in accordance with the basis set out in Note 1 to the Unaudited Special Purpose Interim Condensed Financial Information.

Other matter

4. Figures for the nine months ended 31st December 2017 have not been reviewed and is not covered by our review report.

Our report is not modified in respect of this matter.

DELOITTE HASKINS & SELLS LLP MUMBAI Chartered Accountants

Basis of Accounting and Restriction on use

5. Without modifying our opinion, we draw attention to Note 1 to the Unaudited Special Purpose Interim Condensed Financial Information, which describes the basis of accounting. Our report is intended solely for use of the Holding Company for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed issue of NCDs by the Holding Company. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W / W-100018)

G. K Subramaniam
Partner
(Membership No. 109839

Place: Mumbai
Date: January 21, 2019

JM FINANCIAL
HOME LOANS

JM FINANCIAL HOME LOANS LIMITED
CONDENSED UNAUDITED SPECIAL PURPOSE STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2018

(Rupees in Lakh)

Particulars	Nine months ended	
	31.12.2018	31.12.2017
Income		
(a) Revenue from Operations		
(i) Interest Income	403.26	0.13
(ii) Fee Income	72.83	7.37
(b) Other Income	117.88	53.86
Total Income	**593.97**	**61.36**
Expenses		
(a) Finance costs	162.73	-
(b) Employee benefits expense	578.89	44.95
(c) Impairment of financial instruments	74.77	0.19
(d) Depreciation and amortisation expense	48.13	0.35
(e) Other expenses	330.54	6.31
Total expenses	**1,195.06**	**51.80**
(Loss) / Profit before tax (1-2)	**(601.09)**	**9.56**
Tax expenses		
(a) Current tax	-	1.85
(b) Deferred tax	-	1.10
Total tax expenses	-	**2.95**
Net (Loss) / Profit for the period (3-4)	**(601.09)**	**6.61**
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
- Remeasurement of employee defined benefits obligation	2.31	-
- Income tax on above	-	-
Other Comprehensive Income	**2.31**	-
Total Comprehensive Income (5+6)	**(598.78)**	**6.61**
Earning Per Share (EPS)		
Basic EPS (in Re.) (Not annualised)	(1.71)	0.06
Diluted EPS (in Re.) (Not annualised)	(1.71)	0.06
Selected explanatory notes (1 to 4)		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner
Place: Mumbai
Date: 21/01/2019

For and on behalf of the Board

Manish Sheth
Managing Director & CEO
DIN : 00109227
Place: Mumbai
Date: 21/01/2019

JM FINANCIAL
HOME LOANS

JM FINANCIAL HOME LOANS LIMITED

CONDENSED UNAUDITED SPECIAL PURPOSE BALANCE SHEET AS AT DECEMBER 31, 2018

(Rupees in Lakh)

Sr. No.	Particulars	As at December 31, 2018
	ASSETS	
(1)	**Financial Assets**	
(a)	Cash and cash equivalents	209.07
(b)	Loans	13,011.99
(c)	Investments	1,335.00
(d)	Other Financial assets	175.17
		14,731.23
(2)	**Non-financial Assets**	
(a)	Current tax Assets (Net)	7.92
(b)	Deferred tax Assets	6.50
(c)	Property, Plant and Equipment	309.52
(d)	Other Intangible assets	151.14
(e)	Other non-financial assets	69.94
		545.02
	Total Assets	**15,276.25**
	LIABILITIES AND EQUITY	
	LIABILITIES	
(1)	**Financial Liabilities**	
(a)	Trade Payables	
	(i) total outstanding dues of micro enterprises and small	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	103.97
(b)	Debt securities	5,605.42
(c)	Borrowings (Other than Debt Securities)	8.96
(d)	Other financial liabilities	245.52
	Total Financial Liabilities	**5,963.87**
(2)	**Non-Financial Liabilities**	
(a)	Provisions	32.83
(b)	Other non-financial liabilities	39.62
	Total Non-Financial Liabilities	**72.45**
(3)	**EQUITY**	
(a)	Equity Share capital	10,000.00
(b)	Other Equity	(760.07)
	Total Equity	**9,239.93**
	Total Liabilities and Equity	**15,276.25**
	Selected explanatory notes (1 to 4)	

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner
Place: Mumbai
Date: 21/01/2019

For and on behalf of the Board

Manish Sheth
Managing Director & CEO
DIN : 00109227
Place: Mumbai
Date: 21/01/2019

JM FINANCIAL
HOME LOANS

JM FINANCIAL HOME LOANS LIMITED

SELECTED EXPLANATORY NOTES TO THE UNAUDITED SPECIAL PURPOSE FINANCIAL STATEMENT FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2018

1 The Company adopted Indian Accounting Standards (Ind AS) from April 1, 2018 and accordingly this Unaudited Special Purpose Interim Condensed Financial Information for the nine months ended December 31, 2018 has been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34, 'Interim financial reporting' ("Ind AS 34") and other accounting principles generally accepted in India. There are no adjustments required to be made to the comparative figures upon adoption of Ind AS. This Unaudited Special Purpose Interim Condensed Financial Information is prepared for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed issue of NCDs by the Holding Company.

This Unaudited Special Purpose Interim Condensed Financial Information shall therefore not be suitable for any purpose other than as disclosed in this note.

2 Further transition adjustments may be required to these Unaudited Special Purpose Interim Condensed Financial Information including those arising from new or revised standards or interpretations issued by the Ministry of Corporate Affairs and National Housing Bank, as applicable or changes in use of one or more optional exemptions from full retrospective application of certain Ind AS, which may arise upon finalisation of the financial statements as at and for the year ending 31 March 2019 prepared under Ind AS.

3 The Company has only one business segment i.e. fund based activities which includes providing loans for purchase or construction of residential houses, loans against properties, etc.

4 The figures for the nine months ended December 31, 2017 were not subjected to Limited Review by the statutory auditors.

DELOITTE HASKINS & SELLS LLP MUMBAI Chartered Accountants

For and on behalf of the Board

Manish Sheth
Managing Director & CEO
DIN : 00109227
Place: Mumbai
Date: 21/01/2019

Deloitte
Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON SPECIAL PURPOSE REFORMATTED FINANCIAL INFORMATION

To the Board of Directors of JM Financial Home Loans Limited

Dear Sirs,

1. We have examined the attached Special Purpose Reformatted Financial Information of **JM Financial Home Loans Limited** (the "Company"), comprising the Special Purpose Reformatted Statement of Assets and Liabilities as at March 31, 2018, and 2017, the Special Purpose Reformatted Statements of Profit and Loss, the Special Purpose Reformatted Cash Flow Statement for the year ended March 31, 2018 and for the period from December 16, 2016 to March 31, 2017, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Special Purpose Reformatted Financial Information"). The Special Purpose Reformatted Financial Information have been prepared by the Management of the Company on the basis of Note 1A to the Special Purpose Reformatted Financial Information and have been approved by the Board of Directors of the Company through circular resolution dated January 28, 2019 for the purpose of inclusion in the Draft Shelf Prospectus and Shelf Prospectus (collectively the "Offer Documents") prepared by the JM Financial Products Limited (the "Holding Company") in connection with its proposed public issue of non-convertible debentures ("NCDs"/ the "Issue") prepared in terms of the requirements of:
   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
   b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "Regulations"); and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Special Purpose Reformatted Financial Information for the purpose of inclusion in the Offer Documents of the Holding Company to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed public issue of NCDs by the Holding Company. The Special Purpose Reformatted Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 1A to the Special Purpose Reformatted Financial Information. The Company's Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Special Purpose Reformatted Financial Information. The Company's Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, the Regulations and the Guidance Note.

3. We have examined such Special Purpose Reformatted Financial Information taking into consideration:
   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 24, 2018 in connection with the proposed public issue of NCDs by the Holding Company;
   b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Special Purpose Reformatted Financial Information; and
   d) The requirements of Section 26 of the Act and the Regulations. Our work was performed solely to

assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Note in connection with the proposed public issue of NCDs by the Holding Company.

4. These Special Purpose Reformatted Financial Information have been compiled by the management from the Audited financial statements of the Company as at and for the year ended March 31, 2018 and for the period from December 16, 2016 to March 31, 2017 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on April 23, 2018 and April 18, 2017respectively.

5. For the purpose of our examination, we have relied on reports issued by us dated April 23, 2018 and April 18, 2017on the financial statements of the Company as at and for the year ended March 31, 2018 and for the period from December 16, 2016 to March 31, 2017 as referred in Paragraph 4 above.

7. Based on our examination and according to the information and explanations given to us, we report that the Special Purpose Reformatted Financial Information are prepared, in all material aspects, on the basis described in Note 1A to the Special Purpose Reformatted Financial Information.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

9. The Special Purpose Reformatted Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Holding Company for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed public issue of NCDs by the Holding Company. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



G. K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, January 28, 2019

JM FINANCIAL HOME LOANS LIMITED
SPECIAL PURPOSE REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Crore)

		Note No.	As at 31.03.2018	As at 31.03.2017
I.	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	Share capital	2	32.00	12.00
	Reserves and surplus	3	(1.38)	0.00
			30.62	**12.00**
2	**Non-current liabilities**			
	Long-term provisions	4	0.09	-
			0.09	-
3	**Current liabilities**			
	Trade payables:			
	- Dues to micro and small enterprises	5	0.01	-
	- Others		0.74	0.01
	Other current liabilities	6	0.96	0.00
	Short-term provisions	7	0.14	0.02
			1.85	**0.03**
	TOTAL		**32.56**	**12.03**
II.	**ASSETS**			
1	**Non-current assets**			
	Property, plant and equipment			
	Tangible assets	8	0.23	-
	Intangible assets under development	8	0.71	-
	Deferred tax assets (net)	9	0.07	0.03
	Long-term loans and advances	10	18.76	-
			19.77	**0.03**
2	**Current assets**			
	Cash and cash equivalents	11	12.59	11.86
	Short-term loans and advances	12	0.11	-
	Other current assets	13	0.09	0.14
			12.79	**12.00**
	TOTAL		**32.56**	**12.03**
	0.00 Denotes amount below Rupees 50,000/-			
	See accompanying notes forming part of the special purpose reformatted financial information	1 to 52		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

G.K. Subramaniam
Partner
Mumbai, dated: 28/1/2019

JM Financial Home Loans Limited

For and on behalf of the Board of Directors
JM Financial Home Loans Limited

Manish Sheth
Managing Director & CEO

Rajesh Shah
Chief Financial Officer

Priya Shah
Company Secretary

Mumbai, dated: January 28, 2019

JM FINANCIAL HOME LOANS LIMITED
SPECIAL PURPOSE REFORMATTED STATEMENT OF PROFIT AND LOSS

(Rupees in Crore)

		Note No.	For the year ended 31.03.2018	For the period ended 31.03.2017
I	**Income:**			
a)	Revenue from operations	14	0.72	-
b)	Other income	15	1.02	0.16
	Total Revenue		**1.74**	**0.16**
II	**Expenses:**			
a)	Employee benefits expense	16	2.32	-
c)	Depreciation and amortization expense	8	0.02	-
b)	Provision for standard assets	24	0.04	-
d)	Other expenses	17	0.78	0.16
	Total expenses		**3.16**	**0.16**
III	**(Loss)/ Profit before Tax**		**(1.42)**	**0.00**
IV	**Tax Expenses**			
	Current tax		-	0.03
	Deferred tax		(0.03)	(0.03)
			(0.03)	**0.00**
V	**(Loss)/ Profit for the year**		**(1.38)**	**0.00**
VI	**Earning Per Equity Share**	49		
	(Face value of Rs. 10/- each)			
	Basic and Diluted		(1.08)	0.01
	0.00 Denotes amount below Rupees 50,000/-			
	See accompanying notes forming part of the special purpose reformatted financial information	1 to 52		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

G.K. Subramanian
Partner
Mumbai, dated: 28/1/2019

For and on behalf of the Board of Directors
JM Financial Home Loans Limited

Manish Sheth
Managing Director & CEO

Rajesh Shah
Chief Financial Officer

Priya Shah
Company Secretary

Mumbai, dated: January 28, 2019

JM FINANCIAL HOME LOANS LIMITED
SPECIAL PURPOSE REFORMATTED CASH FLOW STATEMENT

(Rupees In Crore)

	Particulars	For the year ended 31.03.2018	For the period ended 31.03.2017
A	**Cash flow from operating activities**		
	(Loss)/ Profit before tax	**(1.42)**	**0.00**
	Adjustment for:	-	-
	Depreciation and amortisation expenses	0.02	-
	Provision for Gratuity	0.01	-
	Provision for compensated absences	0.14	-
	Provision for standard assets	0.04	-
	Interest Income on fixed deposits with bank	(0.55)	(0.16)
	Profit on sale of current investments	(0.12)	-
	Operating (loss)/ profit before working capital changes	**(1.88)**	**(0.16)**
	Adjustment for Increase / (Decrease) in Operating Assets:		
	Increase / (decrease) in Trade payables and other current liabilities	1.70	0.01
	Increase / (decrease) in short term provisions	(0.02)	-
	Increase / (decrease) in long term provisions	0.04	-
	Increase / (decrease) in short-term loans and advances	(0.11)	-
	Increase / (decrease) in other current assets	0.05	-
	Increase / (decrease) in long-term loans and advances	(0.85)	(0.14)
	Loans disbursed (net)	(17.84)	-
	Cash (used in)/ from operations	**(18.90)**	**(0.29)**
	Direct taxes paid (net)	(0.07)	(0.02)
	Net cash (used in)/ from operating activities (A)	**(18.97)**	**(0.30)**
B	**Cash flow from investing activities**		
	Purchase of current investments	(72.20)	-
	Sale of Current investments	72.32	-
	Purchase of fixed assets	(0.96)	-
	Interest received on fixed deposits with bank	0.55	0.16
	Net cash from/ (used on) investing activities (B)	**(0.29)**	**0.16**
C	**Cash flow from financing activities**		
	Proceeds from issue of equity share capital	20.00	12.00
	Net cash from/ (used in) financing activities (C)	**20.00**	**12.00**
	Net increase / (Decrease) in cash and cash equivalents (A+B+C)	**0.74**	**11.86**
	Cash and cash equivalents at the beginning of the year	11.86	-
	Cash and cash equivalents at the end of the year	12.59	11.86
	0.00 Denotes amount below Rupees 50,000/-		
	See accompanying notes forming part of the special purpose reformatted financial information	1-52	

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

G.K. Subramaniam
Partner
Mumbai, dated: 28/1/2019

For and on behalf of the Board of Directors
JM Financial Home Loans Limited

Manish Sheth
Managing Director & CEO

Rajesh Shah
Chief Financial Officer

Priya Shah
Company Secretary

Mumbai, dated: January 28, 2019

JM FINANCIAL HOME LOANS LIMITED

Notes to the special purpose reformatted financial information

Overview

JM Financial Home Loans Limited (the "Company") was incorporated on December 16, 2016. The Company is registered with the National Housing Bank under Section 29A of the National Hosing Bank Act, 1987 with effect from November 17, 2017. The Company is primarily engaged into providing loans for purchase or construction of residential houses.

Note 1A

The Company has prepared the Special Purpose Reformatted Statement of Assets and Liabilities as at March 31, 2018 and 2017 and Special Purpose Reformatted Statement of Profit and Loss and the Special Purpose Reformatted Cash Flow Statements for the year ended March 31, 2018 and for the period from December 16, 2016 to March 31, 2017 and the significant accounting policies and other explanatory information (together comprising the "Special Purpose Reformatted Financial Information").

The Special Purpose Reformatted Financial Information have been extracted by management from the Audited Financial Statements of the Company for the year ended March 31, 2018 and for the period from December 16, 2016 to March 31, 2017 which were approved by Board of Directors of the Company and which have been audited by Deloitte Haskins & Sells LLP, Chartered Accountants. The auditors have issued an audit report dated April 23, 2018 and April 18, 2017 for the financial year ended March 31, 2018 and period ended March 31, 2017 respectively to the Members of the Company.

The Special Purpose Reformatted Financial Information as at March 31,2017 and for the period from December 16, 2016 to March 31, 2017 has been regrouped/ reclassified wherever necessary to correspond with the presentation / disclosure requirements of the financial year ended March 31, 2018 to comply with the requirements of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI (ILDS) Regulations") issued by the Securities and Exchange Board of India (the "SEBI"), for use of the Holding Company for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed issue of NCDs by the Holding Company.

These Special Purpose Reformatted Financial Information, do not reflect the effects of events that occurred subsequent to the dates of approval of the audited financial statements of the respective years/period by the Board of Directors of the Company and also do not reflect the effects of change in accounting policies and re-statement impact in respect of prior period items from one year to another, if any.

Note 1B

Significant Accounting Policies

a) Basis of preparation of financial statements

The financial statements of the Company have been prepared on accrual basis under the historical cost convention and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, ("the Act") and the guidelines issued by National Housing Bank.

b) Use of Estimates

The preparation of financial statements is in conformity with Indian GAAP, which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialised

c) Revenue Recognition

Interest income on housing loans is recognised on accrual basis except in case of non-performing assets where interest is recognised only on realization as per guideline prescribed by the National Housing Bank. Interest on loans is computed either on an annual rest, on a monthly rest basis on the principal outstanding at the beginning of the relevant period depending upon the loan product. Repayment of housing loan is generally by way of Equated Monthly Instalments (EMIs) comprising principal and interest. EMIs commence generally once the entire loan is disbursed. Certain customers request for commencement of regular principal repayments even before the entire loan is disbursed, especially when the projects are of long gestation. A recalculated EMI based on the Principal Outstanding is offered in such cases. Pending commencement of EMIs, pre-EMI interest is payable every month.

Processing fees and other loan related charges are recognised when it is reasonable to expect the ultimate collection which is generally at the time of Login/disbursement of the loan.

Overdue/ penal interest/ charges on delayed EMI/PEMI and prepayment charges are recognized only when it is reasonably certain that ultimate collection will be made.

Interest income on Investment is recognised on accrual basis. Dividend income is recognised when the right to receive is established.

Income is recognised when no significant uncertainty exists regarding its determination or realization

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM Financial Home Loans Limited

d) Current/Non Current classification of assets/ liabilities

The Company has classified all its assets / liabilities into current /non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realized / settled within 12 months from the date of financial statements are classified as current and other assets / liabilities are classified as non-current.

e) Impairment loss

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

f) Investments

Investments are accounted at cost inclusive of brokerage, fees and stamp charges and are classified into two categories, viz. Current or Long-Term based on management's intention at the time of purchase.

Current investments are carried category wise, at the lower of cost and fair value, whereas Long-Term Investments are carried at cost less provision for diminution, other than temporary, in the value of such investments. Unquoted current investments in units of Mutual Funds are valued as per NAV of the Plan. On disposal of an investment, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

Provision for diminution in the value of investments is made in accordance with the guidelines issued by the National Housing Bank and the Accounting Standard on 'Accounting for Investments' (AS 13) and is recognized through the Provision for Contingencies Account.

g) Taxes on income

Tax expense comprises both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period. Deferred tax represents effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In case of existence of carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that deferred tax assets can be realized against future taxable profits.

h) Provisions, Contingent Liabilities & Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

i) Provision for non-performing assets and contingencies

The Company's policy is to carry adequate amounts in the Provision for Non-Performing Assets (NPAs)and other contingencies to cover the amount outstanding in respect of all non-performing assets and standard assets respectively as also all other contingencies. All loans and other credit exposures where the instalments, interest are overdue for ninety days and more are classified as non-performing assets in accordance with the prudential norms prescribed by the National Housing Bank (NHB). The provisioning policy of the Company covers the minimum provisioning required as per the NHB guidelines

j) Standard Asset Provisioning (Collective Allowances)

Provisions are established on a collective basis against loan assets classified as 'Standard' to absorb credit losses on the aggregate exposures in each of the Company's loan portfolios based on the NHB Directions. A higher standard asset provision may be made based upon an analysis of past performance, level of allowance already in place and Management's judgement. This estimate includes consideration of economic and business conditions. The amount of collective allowance for credit losses is the amount that is required to establish a balance in the Provision for Standard Assets Account that the Company's management considers adequate, after consideration of the prescribed minimum under the NHB Directions, to absorb credit related losses in its portfolio of loan items after individual allowances or write offs.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM Financial Home Loans Limited

k) Loans and Receivables and Credit Loss Allowances

Loans are initially recorded at the disbursed principal amounts and are subsequently adjusted for recoveries and any unearned income.

A loan is recognised as NPA or as a "doubtful" or as a "loss" asset based on the period for which the repayment instalment or interest has remained in arrears as prescribed under the Housing Finance Companies (NHB) Directions, 2010, (the "NHB Directions") as updated from time to time. Allowances for credit losses are made on an individual basis at rates prescribed under the NHB Directions unless, the management estimates that a higher individual allowance is required to reduce the carrying value of loan asset, including accrued interest, to its estimated realizable amount. The fair value of the underlying security is taken into consideration to estimate the realizable amount of the loan. When a loan is identified as a Loss Asset" that is adversely affect ted by a potential threat of non-recoverability, the outstanding balance is fully written off or fully provided for. This estimate includes consideration of economic and business conditions. The amount of collective allowance for credit losses is the amount that is required to establish a balance in the Provision for Standard Assets Account that the Company's management considers adequate, after consideration of the prescribed minimum under the NHB Directions, to absorb credit related losses in its portfolio of loan items after individual allowances or write offs.

l) Property, plant and equipment

Tangible assets

Tangible fixed assets are stated at original cost of acquisition less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their present location and working condition.

Depreciation on tangible fixed assets is provided, on a pro-rata basis for the period of use, on the Straight Line Method (SLM), based on useful life of the fixed assets, as prescribed in Schedule II to the Act or as per the assessment of the useful life done by the management.

Accordingly the useful life of assets is as per table:

Assets	Useful life
Office premises	60 years
Furniture and Fixtures	10 years
Office equipment	5 years
Computers	3 years
Leasehold Improvements	10 years or lease period whichever is lower
Motor Vehicles	5 years

Assets costing less than Rs. 5,000/- are fully depreciated in the year of purchase.

Intangible assets

Intangible fixed assets are stated at cost of acquisition or internal generation, less accumulated amortisation and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured. The depreciable amount of the intangible assets is allocated over the best estimate of its useful life on a straight line basis.

The Company capitalises software and related implementation costs where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over management estimate of its useful life not exceeding 5 years.

m) Leased Assets

Assets acquired under finance lease are capitalised at the inception of lease at the fair value of the assets or present value of minimum lease payments whichever is lower. These assets are fully depreciated on a straight line basis over the lease term or its useful life whichever is shorter.

n) Employee benefits

Defined contribution plan

The Company makes defined contribution to the provident fund, which is recognised in the statement of profit and loss on an accrual basis.

Defined benefit plan

The Company's liability under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gains and losses are recognised in the statement of profit and loss as income or expense respectively. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields on the date of balance sheet on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Compensated absences

The employees of the Company are entitled to carry forward their unavailed/unutilized leave for 9 months subject to a maximum limit as per the Company's policy. The employees are not entitled to encash unavailed / unutilized leave. Accumulating compensated absences are measured based on management's estimate.

Short term employee benefits

Short term employee benefits are recognised as expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM Financial Home Loans Limited

o) Operating leases

Leases, where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease rentals thereon are charged to the statement of profit and loss.

p) Foreign currency transactions

Transactions in foreign currency are recorded at rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain/loss either on settlement or on translation is reflected in the statement of profit and loss. Other non-monetary items, like fixed assets, investments in equity shares, are carried in terms of historical cost using the exchange rate at the date of transaction.

q) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss.

r) Cash Flow statement

Cash flows are reported using the indirect method set out in Accounting Standard (AS 3) on Cash Flow Statement. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

s) Earning per Equity Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year re adjusted for the effects of all dilutive potential equity shares.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM Financial Home Loans Limited

JM FINANCIAL HOME LOANS LIMITED
Notes to the special purpose reformatted financial information

2 SHARE CAPITAL (Rupees in Crore)

	As at 31.03.2018	As at 31.03.2017
Authorised		
3,20,00,000 (Previous period 1,20,00,000) equity shares of Rs.10/- each	32.00	12.00
	32.00	**12.00**
Issued, Subscribed and Paid-up		
3,20,00,000 (Previous period 1,20,00,000) Equity Shares of Rs.10/- each fully paid up	32.00	12.00
Total	**32.00**	**12.00**

2.1
The Company has only one class of shares i.e. equity. The equity shareholders are entitled to dividend as and when dividend is declared and approved by the shareholders.

2.2

Reconciliation of Number of Shares	**Number of Shares**	
At the beginning of the year/ period	12,000,000	-
Add: Issued during the year	20,000,000	12,000,000
At the end of the year	32,000,000	12,000,000

2.3
Details of Shareholding in excess of 5%:

Names of the Shareholders	Number of shares & % of holding	
JM Financial Products Limited (6 shares jointly held with certain individuals)	32,000,000	12,000,000
	100.00%	100.00%

2.4
JM Financial Limited is the ultimate holding company.

3 RESERVES AND SURPLUS

	As at 31.03.2018	As at 31.03.2017
a. Statutory Reserve		
(under section 29C of the NHB Act, 1987)		
As per last balance sheet	-	-
(+) Transfer from balance in the Statement of profit and loss	-	-
	-	-
b .Balance in the Statement of Profit and Loss:		
As per last balance sheet	0.00	-
Less/ Add: (Loss)/profit for the year/ period	(1.38)	0.00
Less: Transferred to statutory reserve (as per Section 29C of NHB Act, 1987)	-	-
	(1.38)	0.00
Total	**(1.38)**	**0.00**

0.00 Denotes amount below Rupees.50,000/-

4 LONG-TERM PROVISIONS

	As at 31.03.2018	As at 31.03.2017
Provision for standard assets (Refer note 24)	0.04	-
Provisions for employee benefits:		
-Gratuity (Refer note 20(a))	0.05	-
Total	**0.09**	-

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM Financial Home Loans Limited

5 Trade Payable

The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Disclosure pertaining to Micro and Small Enterprises:

Particulars	As at 31.03.2018	As at 31.03.2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.01	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	0.01	-

6 OTHER CURRENT LIABILITIES

	As at 31.03.2018	As at 31.03.2017
Employee benefits payable	0.80	-
Statutory dues	0.16	0.00
Total	**0.96**	**0.00**

0.00 Denotes amount below Rupees.50,000/-

7 SHORT-TERM PROVISIONS

	As at 31.03.2018	As at 31.03.2017
For taxation (net of advance tax)	-	0.02
For employee benefits:		
-Compensated absences	0.14	-
-Gratuity (Refer note 20(a))	0.00	-
Total	**0.14**	**0.02**

0.00 Denotes amount below Rupees.50,000/-

DELOITTE HASKINS & SELLS LLP

JM Financial Home Loans Limited

JM FINANCIAL HOME LOANS LIMITED

Notes to the special purpose reformatted financial information

8 Property, Plant And Equipment **(Rupees in Crore)**

Description of Assets	Gross Block		Depreciation/ Amortisation		Net Block	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
TANGIBLE ASSETS						
Own Assets						
Furniture and Fixtures	0.05	-	0.00	-	0.05	-
Computers	0.14	-	0.01	-	0.12	-
Office Equipment	0.03	-	0.00	-	0.03	-
Leasehold Improvements	0.04	-	0.00	-	0.04	-
TOTAL	**0.25**	**-**	**0.02**	**-**	**0.23**	-
Intangible Asset Under development					**0.71**	**-**

0.00 Denotes amount below Rupees.50,000/-

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM Financial Home Loans Limited

9 DEFFERED TAX ASSETS (NET)

	As at 31.03.2018	As at 31.03.2017
Provision for standard assets	0.01	-
Disallowances on account of Section 43B of Income Tax Act, 1961	0.04	-
Disallowance of preliminary expenses	0.02	0.03
Depreciation/ amortisation	(0.00)	-
Total	**0.07**	**0.03**

0.00 Denotes amount below Rupees.50,000/-

10 LONG-TERM LOANS AND ADVANCES

	As at 31.03.2018	As at 31.03.2017
(Unsecured unless otherwise stated and considered good)		
Secured loans*	17.84	-
Others		
Capital advances	0.60	-
Advance tax (net of provisions)	0.07	-
Security deposits	0.25	-
	18.76	-

* Loans granted by the Company are secured by equitable mortgage/ registered mortgage of the property and / or undertaking to create security and / or personal guarantees and / or assignment of life insurance policies.

11 CASH AND BANK BALANCES

	As at 31.03.2018	As at 31.03.2017
Cash and cash equivalents:		
Cash in hand	0.01	-
Demand Draft in hand	0.01	-
Balances with banks		
- in current accounts	3.32	0.11
- term deposit accounts with maturity less than 3 months at inception	9.25	11.75
	12.57	**11.86**
Total	**12.59**	**11.86**

12 SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2018	As at 31.03.2017
Unsecured, unless otherwise stated		
Advances recoverable in cash or in kind or for value to be received	0.09	-
Prepaid Expenses	0.02	-
Total	**0.11**	-

13 Other Current Assets

	As at 31.03.2018	As at 31.03.2017
Accrued interest	0.09	0.14
Total	**0.09**	**0.14**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM Financial Home Loans Limited

14 REVENUE FROM OPERATIONS

	For the year ended 31.03.2018	For the period ended 31.03.2017
Revenue from Operating Activities		
Interest Income on Home Loans	0.15	-
Processing Fees Income	0.57	-
Total	**0.72**	**-**

15 OTHER INCOME

	For the year ended 31.03.2018	For the period ended 31.03.2017
other Income		
Interest on Fixed Deposit with Banks	0.55	0.16
Profit on sale of Current Investment	0.12	-
Miscellaneous Income	0.35	-
Total	**1.02**	**0.16**

16 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31.03.2018	For the period ended 31.03.2017
Salaries, bonus, other allowances and benefits	2.23	-
Contribution to provident and other funds	0.07	-
Gratuity (refer note 21.(a))	0.01	-
Staff welfare expenses	0.01	-
Total	**2.32**	**-**

17 OTHER EXPENSES

	For the year ended 31.03.2018	For the period ended 31.03.2017
Legal & professional fees	0.36	-
Rates and taxes	0.22	0.14
Rent expenses	0.04	-
Printing and stationery	0.04	0.00
Travelling, hotel and conveyance expenses	0.03	0.00
Insurance	0.01	-
Auditors' remuneration (Refer note 19)	0.01	0.01
Membership and subscription	0.01	-
Advertisement and other related expenses	0.00	-
Miscellaneous expenses	0.05	0.00
Total	**0.78**	**0.16**

0.00 Denotes amount below Rupees.50,000/-





JM FINANCIAL HOME LOANS LIMITED
Notes to the special purpose reformatted financial information

18 CONTINGENT LIABILITIES AND COMMITMENTS (Rs. in crore)

	For the year ended March 31, 2018	For the period ended March 31, 2017
Contingent liabilities	-	-
Commitments		
Commitments related to loans sanction but undrawn	14.33	-
Commitments related to loans sanction but partially undrawn	2.32	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	1.39	-
Total	**18.05**	-

19 AUDITORS' REMUNERATION (Rs. in crore)

	For the year ended March 31, 2018	For the period ended March 31, 2017
Audit fees	0.01	0.01
Certification	-	0.00
Total	**0.01**	**0.01**

0.00 Denotes amount below Rupees.50,000/-

20 Employee benefit

A Defined benefit plans

a) Gratuity (Rs. in crore)

	For the year ended March 31, 2018	For the period ended March 31, 2017
Amount recognised in the balance sheet with respect to gratuity		
Present value of the defined benefit obligation at the year end	**0.05**	-
Fair value of plan assets	-	-
Net liability	**0.05**	-
Net liability is bifurcated as follows:		
Current	0.00	-
Non-Current	0.05	-
Amount recognised in salary, wages and employee benefits expense in the statement of profit and loss with respect to gratuity		
Current service cost	0.01	-
Interest on defined benefit obligations	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised during the year	-	-
Past service cost	-	-
Net gratuity cost	**0.01**	-
Reconciliation of present value of the obligation and the fair value of the plan assets:		
Opening defined benefit obligation	-	-
Current service cost	0.01	-
Interest cost	-	-
Actuarial (gain)/loss	-	-
Past service cost	-	-
Liability assumed on acquisition / (settled on divestiture) (on transfer of employees)	0.04	-
Benefits paid	-	-
Closing defined benefit obligation	**0.05**	-
Change in fair value of plan assets		
Opening fair value of the plan assets	-	-
Expected return on plan assets	-	-
Actuarial (gain)/loss	-	-
Assets acquired on amalgamation	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Closing fair value of the plan assets	-	-
Principal actuarial assumptions at the balance sheet date		
Discount rate	7.85%	-
Estimated rate of return on plan assets	-	-
Retirement age	60 years	-
Salary escalation	7.00% per annum	-
Rate of Leaving services at specimen ages are considred at 10% for younger ages reducing upto 2% for older ages.		

Experience Adjustments	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18
Present Value of Defined Benefit Obligation	-	-	-	-	0.05
Fair of Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	-	-	-	-	(0.05)
Experience Adj. on Plan Liabilities	-	-	-	-	-
Experience Adj. on Plan Assets	-	-	-	-	-

0.00 Denotes amount below Rupees.50,000/-

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JM Financial Home Loans Limited

Valuation assumptions:
The estimates of future salary increases takes into account inflation, seniority, promotion and other relevant factors in the employment market.
The above information is certified by the actuary

Compensated absences
As per the Company's policy, a provision of Rs.0.14 Crore for FY 2017-18 and Nil for FY 2016-17 has been made towards compensated absences, calculated on the basis of unutilised leave as on the last day of the financial year.

Defined contribution plans
Amount recognised as an expense and included in the 'Contribution to provident & other funds' Rs.0.07 Crore for FY 2017-18 and Nil for FY 2016-17.

21 SEGMENTAL REPORTING

Financial year 2017-18
The Company is primarily engaged into business of providing loans for purchase or construction of residential houses. Further, the Company operates solely in one Geographical segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.

Financial year 2016-17
The Company is yet to commence its operations and consequently does not have any reportable segment.

22 Disclosure in respect of Related Parties pursuant to accounting standard 18

i) Name of the related parties and description of relationship where control exists:
Ultimate Holding Company
JM Financial Limited
Holding Company
JM Financial Products Limited

ii) Name of the related parties and description of relationship where transactions have taken place:
a) Ultimate Holding Company
JM Financial Limited
b) Holding Company
JM Financial Products Limited
c) Fellow Subsidiary
JM Financial Asset Management Limited
JM Financial Asset Reconstruction Company Limited
JM Financial Properties and Holdings Limited
d) Enterprises over which any person described in point (f) below is able to exercise significant influence
J.M. Financial & Investment Consultancy Services Private Limited
e) Key Management Personnel
Mr. Manish Sheth
f) Individual owning, directly or indirectly, an interest in the voting power of the reporting enterprise that give them control or significant influence over the reporting enterprise
Mr. Nimesh Kampani

iii) Details of transaction with related parties: (Rs. in crore)

Name of the related party	Nature of relationship	Description of transaction	31-Mar-18	31-Mar-17
JM Financial Limited	Ultimate Holding Company	Reimbursement of expenses	0.00	-
		Outstanding balance payable	0.00	-
JM Financial Products Limited	Holding Company	Issue of Rights shares	2.00	-
		Transfer of fixed assets to the Company	0.12	-
		Issue of equity shares	-	12.00
		Reimbursement of expenses	-	0.13
JM Financial Properties and Holdings Limited	Fellow Subsidiary	Employee related transfers from	0.04	-
JM Financial Asset Reconstruction Company Limited	Fellow Subsidiary	ICD placed	6.00	-
		ICD repaid	6.00	-
		Interest received	0.00	-
JM Financial Asset Management Limited	Fellow Subsidiary	Rent paid	0.01	
J.M. Financial & Investment Consultancy Services Limited	Enterprise over which any person described in point (f) above is able to exercise significant influence	Rent paid	0.01	-
		Security Deposit	0.02	-

0.00 Denotes amount below Rupees.50,000/-

23 Operating Lease
The Company has taken certain premises under operating lease, the tenure of the lease agreement ranges between 33 months to 60 months. The minimum lease rentals in respect of non-cancellable lease with respect to these assets are as under:-

(Rs. in crore)

	For the year ended March 31, 2018	For the period ended March 31, 2017
Not later than 1 year	0.06	-
Later than 1 year but not later than 5 years	0.03	-
Later than 5 years	-	-
TOTAL	**0.09**	-

Lease payment recognised in the statement of profit and loss for the year in respect thereof aggregates Rs.0.04 crore for FY 2017-18 and Rs. Nil for FY 2016-17.

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JM Financial Home Loans Limited

24 Provision in respect of standard, sub-standard, doubtful and loss assets are recorded in accordance with Companies policy as stated in note:

(Rs. in crore)

	For the year ended March 31, 2018		For the period ended March 31, 2017	
	Housing loans	Non-housing loans	Housing loans	Non-housing loans
Standard Asset				
Principal outstanding	16.84	1.00	-	-
Provisions	0.04	0.00	-	-
Sub-standard assets				
Principle outstanding	-	-	-	-
Provisions	-	-	-	-
Doubtful asset				
Principle outstanding	-	-	-	-
Provisions	-	-	-	-
Total				
Principle outstanding	**16.84**	**1.00**	-	-
Provisions	**0.04**	**0.00**	-	-
				-

0.00 Denotes amount below Rupees.50,000/-

25 Disclosure pursuant to circular no. NHB CND/DRS/POI circular 61/2013-14 dated April 7, 2014 issued by NHB:

(Rs. in crore)

	As at 31-Mar-18	As at 31-Mar-17
Balance at the beginning of the year		
a) Statutory reserves (as per Section 29 C of The National Housing Bank Act, 1987)	-	-
b) Amount of special reserve under Section 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	-	-
Addition / appropriation / withdrawals during the year		
Add:-		
a) Amount transferred as per Section 29C of The National Housing Bank Act, 1987.	-	-
b) Amount of special reserve under Section 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	-	-
Less:-		
a) Amount appropriated as per Section 29C of The National Housing Bank Act, 1987.	-	-
b) Amount withdrawn from special reserve under Section 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) statutory reserves (as per Section 29C of The National Housing Bank Act, 1987)	-	-
b) Amount of special reserve under Section 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	-	-
Total	-	-

26 Disclosure pursuant to circular no. NHB/ND/DRS/POL-No.35/2010-11 dated October 11, 2010 and Notification No. NHB.HFC.CG – DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB:

I. Capital Risk Asset Ratio (CRAR)

	As at 31-Mar-18	As at 31-Mar-17
CRAR (%)	187.65%	-
CRAR – Tier I Capital (%)	187.37%	-
CRAR – Tier II Capital (%)	0.28%	-

II. Exposure to Real Estate Sector

(Rs. in crore)

	As at 31-Mar-18	As at 31-Mar-17
Category		
a) Direct Exposure		
(i) Residential Mortgage:		
Lending fully secured by mortgage on residential property that is or will be occupied by the borrower;		
a) Housing loan upto Rs.15 lakh	15.34	-
b) Housing loan more than Rs.15 lakh	2.12	-
(ii) Commercial real estate:		
Lending secured by mortgages on commercial real estates. Exposure would also include non-fund based (NFB) Limits.	-	-
(iii) Investment in mortgage backed securities (MBS) and other securitised exposures:		
(a) Residential	0.38	-
(b) Commercial real estates	-	-
b) Indirect Exposure		
Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

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III. Asset Liability Management

Maturity Pattern of Assets and liabilities as at March 31,2018: (Rs. in crore)

	1 day to 30/31 days (1 month)	Over one month to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year
Liabilities					
Borrowings from banks	-	-	-	-	-
Market Borrowings	-	-	-	-	-
Assets					
Advances	0.02	0.03	0.03	0.10	0.20
Investments	-	-	-	-	-

Maturity Pattern of Assets and liabilities as at March 31,2018: -

	Over 1 to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years
Liabilities					
Borrowings from banks	-	-	-	-	-
Market Borrowings	-	-	-	-	-
Assets					
Advances	1.02	1.29	1.53	2.98	10.64
Investments	-	-	-	-	-

Grand total Rs.17.84 crore.

27 Disclosure pursuant to Notification no. NHB.HFC.DIR.1 /CMD/2010 dated June 10, 2010 issued by NHB:

(Rs. in crore)

	As at 31-Mar-18	As at 31-Mar-17
I. Penalty		
Penalty, if any, levied by National Housing Bank	-	-
II. Adverse remarks		
Adverse remarks, if any, given by National Housing Bank	-	-
III. % of outstanding loans granted against collateral of gold jewellery		
Percentage of outstanding loans granted against the collateral of gold jewellery to their outstanding total assets	-	-

28 Disclosure pursuant to Notification No. NHB.hfc.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for investments:

(a) Value of Investments		
(i) Gross Value of Investments:		
a) In India	-	-
b) Outside India	-	-
(ii) Provision for depreciation		
a) In India	-	-
b) Outside India	-	-
(iii) Net value of Investments		
a) In India	-	-
b) Outside India	-	-
(b) Movements of provisions held towards depreciation in investments		
(I) Opening balance	-	-
(II) Add:- Provisions made during the year	-	-
(III) Less:-Write-off/Written back of excess provision during the year	-	-
(IV) Closing balance	-	-

29 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CE0/2016 dated February 9, 2017 issued by NHB for Single borrower/ Group borrower limit exceeded by HFC:

Amount outstanding for Single Borrower limit	-	-
Amount outstanding for Group Borrower limit	-	-

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(Rs. in crore)

	As at 31-Mar-18	As at 31-Mar-17
30 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Provisions and Contingencies:		
1. Provision for depreciation on investment	-	-
2. Provision made towards income tax (net of reversal of tax of earlier years)	-	0.03
3. Provisions towards NPAs	-	-
4. Provision for standard assets	0.04	-
5. Other provisions and contingencies		
a. Gratuity	0.05	-
b. Compensated absence	0.14	-
c. Provision for expenses	0.25	-
31 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CE0/2016 dated February 9, 2017 issued by NHB for concentration of NPAs:		
Total Exposure to top ten NPA accounts	-	-
32 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for sector wise NPA's Provisions and Contingencies		
a. Housing Loans:		
(I) Individuals (in %) (out of total advances in that sector)	-	-
b. Non - Housing Loans:		
(I) Individuals (in %) (out of total advances in that sector)	-	-
33 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9,2017 issued by NHB for movement of NPAs:		
(I) Net NPAs to Net Advances (%)	-	-
(II) Movement of Gross NPAs		
(a) Opening Balance	-	-
(b) Additions during the year	-	-
(c) Closing balance	-	-
(III) Movement of Net NPAs		
(a) Opening Balance	-	-
(b) Additions during the year	-	-
(c) Closing balance	-	-
(IV) Movement of provisions for NPAs		
(a) Opening Balance	-	-
(b) Additions during the year	-	-
(c) Closing balance	-	-
34 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for overseas assets:		
Overseas assets	-	-

35 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for customer complaints:

	As at 31-Mar-18	As at 31-Mar-17
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	1	-
(c) No. of complaints redressed during the year	1	-
(d) No. of complaints pending at the end of the year	-	-

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	As at 31-Mar-18	(Rs. in crore) As at 31-Mar-17
36 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Exposure to Capital Market:		
(I)direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt,	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds,	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are token as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares I bonds I debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered);	-	-
	-	-
Total Exposure to Capital Market	-	-
37 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Securitisation		
The amount of securitised assets as per books of the SPVs sponsored*	-	-
* During the year the Company has not entered into any securitisation deal. Accordingly no disclosure is required pursuant to Notification No. NHB/HFCCG-DIR.1 /MD&CE0/2016.		
38 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Assignment transactions undertaken by HFCs:		
Aggregate value of accounts assigned *	-	-
* During the year the Company has not entered in any assignment deal, accordingly no disclosure is made pursuant to Notification No. NHB/HFCCG-DIR.1 /MD&CEO/2016.		
39 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for purchase and sale of non-performing financial assets:		
No. of accounts purchased / sold during the year *	-	-
* During the year the Company has not entered in deal of purchase and sale of NPAs from/to other HFCs, accordingly no disclosure is made pursuant to Notification No. NHB/HFCCG-DIR.1/MD&CEO/2016.		
40 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for registration obtained from other financial regulator:		
Registration from other financial regulator, if any	-	-
41 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for unsecured advances:		
Amount of unsecured advances given against rights, licenses, authorisations etc.	-	-
42 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for details of financing parent company products:		
Details of financing of parent company products, if any	-	-





(Rs. in crore)

	As at 31-Mar-18	As at 31-Mar-17
43 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of Public Deposits:		
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to total deposits of the HFC	-	-
44 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of Loans & Advances		
Total Loans & Advances of twenty largest borrowers	3.43	-
Percentage of Loans & Advances of twenty largest borrowers to total advances of the HFC	19.22%	-
45 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of all Exposure (including off-balance sheet exposure).		
Total Exposure to twenty largest borrowers / customers	5.38	-
Percentage of exposure to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers.	13.48%	
		-
46 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Forward rate agreement / Interest rate swap.		
(I) The notional principal of swap agreements	-	-
(II) Losses which would be incurred if counter parties foiled to fulfil their obligations under the agreements	-	-
(III) Collateral required by the HFC upon entering into swaps	-	-
(IV) Concentration of Credit risk arising from the swaps.	-	-
(V) The fair value of the swap book	-	-
47 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB		
a) For Exchange traded interest rate derivative		
(I) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-	-
(II) Notional principal amount of exchange traded IR derivatives outstanding (Instrument-wise)	-	-
(III) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(IV) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
b) For Disclosure on Risk exposure in derivative		
(I) Derivatives (Notional Principal Amount)	-	-
(II) Marked to Market Positions (1)	-	-
(a) Assets	-	-
(b) Liability	-	-
(III) Credit exposure	-	-
(IV) Unhedged exposure	-	-

48 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CE0/2016 dated February 9, 2017 issued by NHB for rating assigned by rating agency during the year:

The Company has not obtained any credit rating from any rating agency during the year.

49 EARNINGS PER EQUITY SHARE (EPS)

Earnings per equity share is calculated as under:

	For the year ended March 31, 2018	For the period ended March 31, 2017
(Loss)/ Profit after tax (Rupees in Crore)	(1.38)	0.00
Weighted average number of equity shares outstanding during the period	12,876,712	2,597,260
Basic and Diluted earnings per share (Rs.)	(1.08)	0.01
Nominal value per share (Rs.)	10.00	10.00

0.00 Denotes amount below Rupees 50,000/-

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM Financial Home Loans Limited

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Financial year 2016-17

Details of Specified Bank Notes (SBN) held and transacted during the period from December 16, 2016 (being the date of incorporation) to December 30, 2016:

(In Rupees)

	SBN	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

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Financial year 2017-18

The Company was incorporated on December 16, 2016. Hence the figures for the previous period are for 3 months and 16 days. Further, the Company obtained the registration as a Housing Finance Company and commenced its operation in the current year. Consequently, the figures of the previous period are not comparable with those of the current year.

Financial year 2016-17

The Company has made an application to the National Housing Bank for obtaining the registration to carry on the business of housing finance activity particularly in affordable segment.

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Financial year 2017-18

Figures of the previous year have been regrouped / reclassified / rearranged wherever necessary to correspond with those of the current year's classification / disclosure

Financial year 2016-17

The Company was incorporated on December 16, 2016. Hence, these financial statements are prepared for the period from December 16, 2016 to March 31, 2017 and accordingly there are no corresponding figures.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM Financial Home Loans Limited

For and on behalf of the Board of Directors
JM Financial Home Loans Limited

Manish Sheth
Managing Director & CEO

Rajesh Shah
Chief Financial Officer

P. P. Shah

Priya Shah
Company Secretary

Mumbai, dated: January 28, 2019

Deloitte
Haskins & Sells LLP

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INDEPENDENT PRACTITIONER'S EXAMINATION REPORT ON SPECIAL PURPOSE REFORMATTED STANDALONE FINANCIAL INFORMATION

To the Board of Directors of JM Financial Services Limited

Dear Sirs,

1. We have examined the attached Special Purpose Reformatted Standalone Financial Information of **JM Financial Services Limited** (the "Company"), comprising the Special Purpose Reformatted Standalone Statement of Assets and Liabilities as at March 31, 2015, and 2014, the Special Purpose Reformatted Standalone Statement of Profit and Loss, the Special Purpose Reformatted Standalone Cash Flow Statement for the year ended March 31, 2015 and 2014, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Special Purpose Reformatted Standalone Financial Information"). The Special Purpose Reformatted Standalone Financial Information have been prepared by the Management of the Company on the basis of Note 1A to the Special Purpose Reformatted Standalone Financial Information and have been approved by the Board of Directors of the Company through circular resolution dated January 28, 2019 for the purpose of inclusion in the Draft Shelf Prospectus and Shelf Prospectus (collectively the "Offer Documents") prepared by the erstwhile holding company i.e. JM Financial Products Limited in connection with its proposed public issue of non-convertible debentures ("NCDs") prepared in terms of the requirements of:
   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
   b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "Regulations"); and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Special Purpose Reformatted Standalone Financial Information for the purpose of inclusion in the Offer Documents of the erstwhile holding company to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed public issue of NCDs by the erstwhile Holding Company. The Special Purpose Reformatted Standalone Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 1A to the Special Purpose Reformatted Standalone Financial Information. The Company's Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Special Purpose Reformatted Standalone Financial Information. The Company's Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, the Regulations and the Guidance Note.

3. We have examined such Special Purpose Reformatted Standalone Financial Information taking into consideration:
   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 24, 2018 in connection with the proposed public issue of NCDs by the erstwhile Holding Company;
   b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Special Purpose Reformatted Standalone Financial Information; and
   d) The requirements of Section 26 of the Act and the Regulations. Our work was performed solely to

assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Note in connection with the proposed public issue of NCDs by the erstwhile holding company.

4. These Special Purpose Reformatted Standalone Financial Information have been compiled by the management from the Audited standalone financial statements of the Company as at and for the year ended March 31, 2015 and 2014 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 18, 2015 and April 23, 2014 respectively.

5. For the purpose of our examination, we have relied on reports issued by us dated May 18, 2015 and April 23, 2014 on the standalone financial statements of the Company as at and for the years ended March 31, 2015 and March 31, 2014, as referred in Paragraph 4 above and on report issued by Khimaji Kunverji & Co. dated April 30, 2018 on the standalone financial statements of the Company as at and for the year ended March 31, 2018.

7. Based on our examination and according to the information and explanations given to us, we report that the Special Purpose Reformatted Standalone Financial Information are prepared, in all material aspects, on the basis described in Note 1A to the Special Purpose Reformatted Standalone Financial Infor nation.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

9. The Special Purpose Reformatted Standalone Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited standalone financial statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the erstwhile Holding Company for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed public issue of NCDs by the erstwhile holding company. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, January 28, 2019

JM FINANCIAL SERVICES LIMITED

SPECIAL PURPOSE REFORMATTED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Crore)

	Note No.	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	50.00	50.00
Reserves and Surplus	3	217.12	186.51
		267.12	**236.51**
Non-Current Liabilities			
Long-term borrowings	4	0.17	0.25
Long-term provisions	5	4.92	3.94
		5.09	**4.19**
Current Liabilities			
Short-term borrowings	6	346.45	-
Trade payables:	7		
- Dues to micro and small enterprises		-	-
- Others		184.32	241.32
Other current liabilities	8	32.52	20.46
Short-term provisions	9	2.34	2.13
		565.64	**263.91**
TOTAL		**837.85**	**504.61**
ASSETS			
Non-current assets			
Fixed assets:	10		
Tangible assets		8.53	8.03
Intangible assets		3.69	1.96
Intangible assets under development		1.62	0.68
		13.84	10.67
Non-current investments	11	17.35	0.75
Deferred tax assets (net)	12	2.96	2.81
Long-term loans and advances	13	166.84	62.06
		200.99	**76.29**
Current assets			
Current investments	14	0.84	-
Trade receivables	15	216.70	175.14
Cash and bank balances	16	244.26	242.83
Short-term loans and advances	17	166.06	8.43
Other current assets	18	9.00	1.92
		636.86	**428.32**
TOTAL		**837.85**	**504.61**
See accompanying notes forming part of the special purpose reformatted standalone financial information	1 to 33		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

G.K. Subramaniam
Partner
Mumbai, dated: 28/1/2019

For and on behalf of the Board of Directors of
JM Financial Services Limited

Hemant Kotak
Director
DIN: 00412903

Vidhwanath Subramaniam
Chief Financial Officer

Mumbai, dated: January 28, 2019

JM FINANCIAL SERVICES LIMITED
SPECIAL PURPOSE REFORMATTED STANDALONE STATEMENT OF PROFIT AND LOSS

(Rupees in Crore)

	Note No.	For the Year ended 31.03.2015	For the Year ended 31.03.2014
Revenue:			
Revenue from operations	19	262.67	199.72
Other Income	20	12.58	1.68
Total Revenue		**275.25**	**201.40**
Expenses:			
Sub brokerage, incentive, transaction costs and other direct expenses		92.11	75.91
Employee benefit expenses	21	72.29	55.20
Finance costs	22	23.39	23.68
Depreciation and amortisation expense		3.99	3.43
Other expenses	23	36.96	41.61
Total Expenses		**228.74**	**199.83**
Profit before tax		**46.51**	**1.57**
Tax expense:			
Current tax		15.57	-
Deferred tax		(0.03)	(0.16)
Tax adjustments for earlier years (net)		0.12	-
		15.66	**(0.16)**
Profit for the year		**30.85**	**1.73**
Earning per share:	31		
Equity shares of face of Rs. 10/- each			
Basic		6.17	0.35
Diluted		6.17	0.35
See accompanying notes forming part of the special purpose reformatted standalone financial information	1 to 33		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

G.K. Subramaniam
Partner
Mumbai, dated: 28/1/2019

For and on behalf of the Board of Directors of
JM Financial Services Limited

Hemant Kotak
Director
DIN: 00412903

Vishwanath Subramaniam
Chief Financial Officer

Mumbai, dated: January 28, 2019

JM FINANCIAL SERVICES LIMITED
SPECIAL PURPOSE REFORMATTED STANDALONE CASH FLOW STATEMENT

Rupees in Crore

		As at and for the year ended 31.03.2015	As at and for the year ended 31.03.2014
A	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	46.51	1 57
	Adjustments for :		-
	Depreciation/ amortisation	3.99	3 43
	(Profit)/Loss on sale of fixed assets (net)	(0.02)	0 02
	Loss on sale of non-current investments (non-trade)	-	0.05
	Bad debts (written back)off	-	0 34
	Provision for dimunition in value of non-current investments made	-	3 75
	Diminution in value of securities written back	(0.04)	-
	Interest expenses	23.39	23 68
	Dividend income on non-current investment (non-trade)	(0.03)	(0 04)
	Share of profit from partnership firm where the Company is a Partner	(1.45)	-
	Interest income	(11 02)	(1 58)
	Operating Profit before Working Capital Changes	**61.33**	**31.22**
	Adjustment for:		
	(Decrease)/Increase in trade payables	(57.00)	82.91
	Increase/(Decrease) in other current liabilities	12.01	(18.35)
	Increase in short term provisions	0.21	0 06
	Increase/(Decrease) in long term provisions	0.98	(0.03)
	(Increase)/Decrease in long term loans and advances	(103 94)	2 19
	(Increase) in trade receivables	(41.57)	(31 41)
	(Increase)/Decrease in other bank balances	(58.05)	156 44
	(Increase)/Decrease in short term loans and advances	(157.63)	28.71
	Decrease in assets held for arbitrage	-	319 16
	(Increase)/Decrease in other current assets	(7.03)	0.01
	Cash (used in)/generated from operations	**(350.69)**	**570.91**
	Income taxes paid	(16.54)	(17 81)
	Net cash (used in)/generated from operating activities	**(367.23)**	**553.10**
B	**Cash Flow from Investing Activities**		
	Purchase of fixed assets	(7.53)	(7 05)
	Sale of fixed assets	0.03	0 08
	Dividend income on non-current investment (non-trade)	0 03	0.04
	Investment in subsidiary company (non-trade)	(16.00)	(5 00)
	Contribution to capital account of partnership firm	(0.60)	-
	Contribution to current account of partnership firm (net)	(0.84)	-
	Share of profit from partnership firm where the Company is a Partner	1.44	-
	Sale of investments in subsidiary company (non-trade)	-	5 01
	Interest received	11.02	4 03
	Net Cash (used in) Investing Activities	**(12.45)**	**(2.89)**
C	**Cashflow from Financing Activities**		
	Proceeds/(Repayment) from short term borrowings (net)	346.45	(484 60)
	Interest paid	(23.40)	(18.90)
	Net Cash generated from/(used in) Financing Activities	**323.05**	**(503.50)**
	Net (dcrease)/increase in Cash and Cash Equivalents (A+B+C)	**(56.62)**	**46.72**
	Cash and cash equivalents at the beginning of the year	68.27	21 55
	Cash and cash equivalents at the end of the year (Note 16)	11.64	68.27
	See accompanying notes forming part of the special purpose reformatted standalone financial information	1 to 33	

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

G.K. Subramanian
Partner
Mumbai, dated: 28/1/2019

For and on behalf of the Board of Directors of
JM Financial Services Limited

Hemant Kotak
Director
DIN: 00412903

Vishwanath Subramaniam
Chief Financial Officer

Mumbai, dated: January 28, 2019

JM FINANCIAL SERVICES LIMITED

NOTES TO SPECIAL PURPOSE REFORMATTED STANDALONE FINANCIAL INFORMATION

1A

The Company has prepared the Special Purpose Reformatted Standalone Statement of Assets and Liabilities as at March 31, 2015 and 2014 and Special Purpose Reformatted Standalone Statement of Profit and Loss and the Special Purpose Reformatted Standalone Cash Flow Statements for the years ended March 31, 2015 and 2014 and the significant accounting policies and other explanatory information (together comprising the "Special Purpose Reformatted Standalone Financial Information").

The Special Purpose Reformatted Standalone Financial Information have been extracted by management from the Audited Standalone Financial Statements of the Company for the years ended March 31, 2015 and 2014 which were approved by Board of Directors of the Company and which have been audited by Deloitte Haskins & Sells LLP, Chartered Accountants. The auditors have issued an audit report dated dated May 18, 2015 and April 23, 2014 for the financial years ended March 31, 2015 and March 31, 2014 respectively to the Members of the Company.

The Special Purpose Reformatted Standalone Financial Information as at end for the years ended March 31, 2015 and March 31, 2014 has been regrouped/ reclassified wherever necessary to correspond with the presentation / disclosure requirements of the financial year ended March 31, 2018 audited by Khimaji Kunverji & Co., chartered accountants, to comply with the requirements of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI (ILDS) Regulations") issued by the Securities and Exchange Board of India (the "SEBI"), for use of the erstwhile Holding Company for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed public issue of NCDs by the erstwhile holding company.

These Special Purpose Reformatted Standalone Financial Information, do not reflect the effects of events that occurred subsequent to the dates of approval of the audited standalone financial statements of the respective years by the Board of Directors of the Company and also do not reflect the effects of change in accounting policies and restatement impact of prior period items from one year to another, if any.

1B Significant Accounting Policies:

a) Basis of preparation of financial statements

Financial year 2014-15

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"). as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Financial year 2013-14

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act') and the accounting principles generally accepted in India and comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs), to the extent applicable.

b) Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amount of income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actuals and estimates are recognized in the period in which the results are known / materialized.

c) Fixed assets

Fixed Assets are recorded at cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation/ amortization and impairment loss, if any.

d) Depreciation

Financial year 2014-15

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are depreciated over the period of lease or useful life of the asset whichever is lower.

Assets acquired under finance lease are depreciated over the period of lease.

Assets costing Rs.5, 000/- or less are depreciated at 100%.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM FINANCIAL SERVICES LTD. MUMBAI

Financial year 2013-14

Depreciation on fixed assets is provided on the straight line mothod over the useful lives of assets as follows:

Asset	Useful Life
Office premises	61 years
Office equipments	5 years
Computers	5 years
Furniture and fixtures	10 years

Leasehold improvements are depreciated over the period of lease or useful life of the asset whichever is lower.
Assets acquired under finance lease are depreciated over the period of lease.
Assets costing Rs.5, 000/- or less are depreciated at 100%.

e) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

Intangible assets are amortised on a straight line basis as under:

Asset	Useful Life
Software	5 years
Membership, The Stock Exchange, Mumbai	10 years
Exchange Deposits - Non refundable	10 years

f) Impairment loss

Impairment loss is provided to the extent the carrying amount(s) of assets exceed their recoverable amount(s). Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

g) Investments

Current investments are carried at lower of cost and fair value. Non-current investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of non-current investments.

h) Revenue Recognition

Revenue is recognised when it is earned and no significant uncertainty exists as to its realization or collection.

Brokerage and Distribution, selling, advisory and other fees: These are recognised net of service tax recovered.

- Brokerage earned from executing client transactions on the secondary market in "Cash" and "Future and Option" segments are recognised in the accounts on the trade date.

- Fees earned from primary market operations, i.e. procuring subscription from investors for public offerings of companies are recognised on determination of the amount due to the company, once allotment of securities is completed.

- Fees earned for mobilizing bonds, fixed deposits from companies and funds for mutual funds from investors are recognised on monthly, quarterly or annual basis as set forth in terms of the engagement.

- Fees from Structured products, Depository Participant business and Portfolio Management Services are recognised when the services are determined to be completed

i) Arbitrage business

Financial year 2014-15

The Company enters into transactions in the Cash-Future Arbitrage and the Index Arbitrage.

The Company has adopted the recognition and measurement principles enunciated in 'Accounting Standard 30' (AS-30), 'Financial Instruments; Recognition & Measurement' to the extent it is not inconsistent with the'Accounting Standards' notified by the Companies (Accounting Standards) Rules 2006/ 'Accounting Standards' specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, for the arbitrage transactions of the Company, encompassing purchase of equity shares in the cash market and selling the same in the futures market;selling of equity shares borrowed under Securities Lending and Borrowing Segment and buying the same in futures market and purchase/sale of Nifty futures, sale/purchase of equity futures of Nifty scrips, sale/purchase of Nifty/equity stock options etc. These are considered to be part of a portfolio of identified financial instruments that are managed as part of that group and are acquired principally for the purpose of selling/repurchasing in the near term, and hence these are treated as financial assets 'held for arbitrage business'. Accordingly, if the net difference is a loss (being an unrealised loss), provision is made for the same in the Statement of Profit and Loss and if the net difference is a gain (being an unrealised gain), credit is not taken for the same on the principle of prudence.





j) Stock in Trade

Stock in Trade, other than held for arbitrage operations, is valued at cost or net realizable value, whichever is lower. Cost is determined on First in First out (FIFO) basis.

k) Employee Benefits

i. Post Employment Benefits :

Defined Contribution Plan:

The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statue / Rules.

Defined Benefit Plans:

In respect of gratuity, provision is made based upon the actuarial valuation done at the end of every financial year using "Projected unit Credit Method". Major drivers in actuarial assumption, typically, are years of services and employees compensation. Gains and losses on changes in actuarial assumption are charged to the Statement of Profit and Loss.

ii. Short term employee benefits:

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

l) Foreign currency transactions

Transactions in foreign currency are recorded at rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency are reported using the closing rates of exchange. Exchange differences arising thereon and on realisation/ payment of foreign exchange are accounted in the relevant year as income or expense.

m) Taxes on income

Tax expense comprises both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period. Deferred tax represents effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of existence of carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that deferred tax assets can be realised against future taxable profits.

n) Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

o) Provisions and contingencies

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM FINANCIAL SERVICES LTD. MUMBAI

JM FINANCIAL SERVICES LIMITED
NOTES TO SPECIAL PURPOSE REFORMATTED STANDALONE FINANCIAL INFORMATION

(Rupees in Crore)

		As at 31.03.2015	As at 31.03.2014
2 Share Capital			
Authorised			
55,000,000 Equity Shares of Rs. 10/- each		55.00	55.00
10,000,000 Preference Shares of Rs.10/- each		10.00	10.00
		65.00	65.00
Issued, Subscribed and Fully paid-up			
50,000,000 Equity Shares of Rs.10/- each		50.00	50.00
	Total	**50.00**	**50.00**
2.1 Details of shareholders holding more than 5% shares:			
JM Financial Products Limited, the holding company			
Number of shares		45,500,000	45,500,000
% of holding		91%	91%
JM Financial Institutional Securities Limited , a fellow subsidiary company			
Number of shares (including one share jointly held with Mr. Nimesh Kampani)		4,500,000	4,500,000
% of holding		9%	9%
2.2 JM Financial Limited is the ultimate holding company.			
3 Reserves and Surplus			
Capital redemption reserve:			
As per last balance sheet		4.69	4.69
Securities premium account:			
As per last balance sheet		17.90	17.90
Balance in Statement of Profit and Loss:			
As per last balance sheet		163.92	162.19
Less : Depreciation on transition to schedule II of the Companies Act, 2013 on tangible fixed assets with 'Nil' remaining useful life (net of deferred tax) (refer note 10.2)		0.23	-
Add: Profit for the year		30.85	1.73
		194.53	163.92
	Total	**217.12**	**186.51**
4 Long-term borrowings			
Long term maturities of finance lease obligations (Refer note no. 4.1 and 28)		0.17	0.25
	Total	**0.17**	**0.25**
4.1 Finance lease (secured by way of hypothecation of vehicles)(refer note 28)			
Finance lease obligations		0.33	0.36
Less : Current maturities		0.16	0.11
	Total	**0.17**	**0.25**
5 Long term provisions			
Provision for employee benefits - Gratuity (refer note no.29)		4.92	3.94
	Total	**4.92**	**3.94**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM FINANCIAL SERVICES LTD. MUMBAI

JM FINANCIAL SERVICES LIMITED
NOTES TO SPECIAL PURPOSE REFORMATTED STANDALONE FINANCIAL INFORMATION

(Rupees in Crore)

		As at 31.03.2015	As at 31.03.2014
6	**Short-term borrowings**		
	Bank overdrafts:		
	Secured (refer note no. 6.1)	73.82	-
		73.82	-
	Other loans (Unsecured):		
	Commercial Paper	275.00	-
	Less: Unamortised interest on commercial paper	2.37	
		272.63	
	Total	**346.45**	**-**
6.1	Secured by pledge of fixed deposits with banks		
7	There are no dues payables to Micro, Small and Medium Enterprises and therfore disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are not given.		
8	**Other current liabilities**		
	Current maturities of finance lease obligations (refer note no. 4 and 28)	0.16	0.11
	Margin from clients/franchisees	4.48	5.45
	Overdrawn book balance	1.23	4.48
	Employee benefits payable	23.73	8.79
	Statutory dues	2.93	1.63
	Total	**32.52**	**20.46**
9	**Short-term provisions**		
	Provision for employee benefits:		
	Compensated absences	2.03	1.84
	Gratuity (refer note no. 29)	0.31	0.29
	Total	**2.34**	**2.13**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM FINANCIAL SERVICES LTD. MUMBAI

JM FINANCIAL SERVICES LIMITED
NOTES TO SPECIAL PURPOSE REFORMATTED STANDALONE FINANCIAL INFORMATION

Fixed Assets

(Rupees in Crore)

Description of Assets	Gross Block		Depreciation/Amortisation		Net Block	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
TANGIBLE ASSETS						
Own Assets						
Office Premises	0.69	0.69	0.05	0.04	0.65	0.66
Furniture and Fixtures	3.95	3.80	3.35	3.18	0.60	0.62
Computers	22.67	20.65	18.61	17.62	4.06	3.04
Office Equipment	6.41	6.46	5.68	5.57	0.73	0.90
Vehicles (taken on Lease) (Refer note 10.1)	0.63	0.53	0.32	0.19	0.31	0.34
Leasehold Improvements	3.27	2.87	1.08	0.39	2.19	2.48
TOTAL	**37.62**	**35.02**	**29.09**	**26.98**	**8.53**	**8.03**
INTANGIBLE ASSETS						
Software	12.82	9.68	9.13	7.72	3.69	1.96
Membership, BSE Limited	1.43	1.43	1.43	1.43	-	-
NSE Exchange Deposits - Non refundable	0.09	0.09	0.09	0.09	-	-
TOTAL	**14.34**	**11.20**	**10.65**	**9.24**	**3.69**	**1.96**
Grand Total	**51.96**	**46.22**	**39.74**	**36.23**	**12.22**	**9.99**
Intangible assets under development - Software					**1.62**	**0.68**

10.1 Vendor has a lien over assets taken on lease by the Company

10.2 Pursuant to the Companies Act, 2013 ('the Act'), becoming effective from April 1, 2014, the Company has reworked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act. As a result, the charge for depreciation is lower by Rs. 0.29 Crore for the year ended March 31, 2015. Further, based on transitional provision in Note 7(b) of Schedule II, an amount of Rs. 0.23 Crore (net of deferred tax of Rs.0.12 Crore) has been adjusted against the retained earnings.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM FINANCIAL SERVICES LTD. MUMBAI

JM FINANCIAL SERVICES LIMITED
NOTES TO SPECIAL PURPOSE REFORMATTED STANDALONE FINANCIAL INFORMATION

(Rupees in Crore)

		As at 31.03.2015	As at 31.03.2014
11	**Non-current investments**		
	(Non-trade)		
	Investment in equity instruments		
	In Subsidiary Companies:		
	5,000,000 equity shares of JM Financial Commtrade Limited of Rs. 10/- each fully paid up	5.00	5.00
	Less : Provision for diminution	5.00	5.00
		-	-
	In Others:		
	41,054 equity shares of BSE Limited of Re. 1/- each fully paid up	0.00	0.00
	Investments in preference shares		
	In Subsidiary Company:		
	2,500,000 9% non-cumulative redeemable preference shares of JM Financial Commtrade Limited of Rs. 10/- each fully paid up	2.50	2.50
	16,000,000 (Previous year : Nil) 6% optionally convertible redeemable non-cumulative preference shares of JM Financial Commtrade Limited of Rs. 10/- each fully paid up.	16.00	-
	Less : Provision for diminution	1.75	1.75
		16.75	0.75
	Capital Contribution in Astute Investments, a Partnership Firm (refer note 11.1 below)	0.60	-
	Total	**17.35**	**0.75**

0.00 Denotes amount below Rupees 50,000/-

11.1	Investment in Partnership Firm, Astute Investments (formed on May 19, 2014)		
	JM Financial Services Ltd (Partner) :		
	Capital contribution	0.60	-
	Current account contribution (refer note 14)	0.84	-
	Percentage share of Profit/Loss	60%	-
	JM Financial Commtrade Ltd (Partner) :		-
	Capital contribution	0.40	-
	Current account contribution	0.56	-
	Percentage share of Profit/Loss	40%	-
12	**Deferred tax assets**		
	Difference between books and tax written down value of fixed assets	0.00	0.19
	Expense allowable on payment basis	1.78	1.44
	Provision for Doubtful Debts	1.19	1.19
	Total	**2.96**	**2.81**

JM FINANCIAL SERVICES LTD. MUMBAI

(Rupees in Crore)

		As at 31.03.2015	As at 31.03.2014
13	**Long term loans and advances**		
	(Unsecured and considered good)		
	Capital advances	0.25	-
	Deposits with stock exchanges, professional clearing member etc	112.02	6.69
	Deposits for premises (refer note 30)	8.37	9.33
	[including with related party Rs.6.99 crore (as at March 31, 2014, Rs.7.61 crore]		
	Other deposits	0.21	0.27
	Service tax deposit paid under protest	0.63	0.63
	Loan given to Employee Welfare Trust	16.50	17.25
	Advance tax (net of provisions)	28.64	27.79
	Prepaid Expenses	0.11	0.02
	Staff Loans	0.12	0.08
	Total	**166.84**	**62.06**
14	**Current investments**		
	Contributions to Partnership Firm where a company is a Partner on Current Account (refer note 11.1)	0.84	-
	Total	**0.84**	**-**
15	**Trade receivables**		
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment:		
	Secured, considered good	-	0.30
	Unsecured, considered good	-	-
	Unsecured, considered doubtful	2.97	3.09
		2.97	3.38
	Less: Provision for doubtful debts	2.97	3.09
		-	0.30
	Other trade receivables:		
	Secured, considered good	116.41	99.15
	Unsecured, considered good (Refer note 15.1)	100.29	75.69
	Unsecured, considered doubtful	0.52	0.40
		217.22	175.24
	Less: Provision for doubtful debts	0.52	0.40
		216.70	174.84
	Total	**216.70**	**175.14**

15.1 Includes amounts receivable from clearing house/(s) Rs. 57.67 crore
(Previous Year Rs. 64.33 crore)

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM FINANCIAL SERVICES LTD. MUMBAI

JM FINANCIAL SERVICES LIMITED
NOTES TO SPECIAL PURPOSE REFORMATTED STANDALONE FINANCIAL INFORMATION

(Rupees in Crore)

		As at 31.03.2015	As at 31.03.2014
16	**Cash and bank balances**		
	Cash and cash equivalents:		
	Balances with banks		
	In Current Accounts	11.64	68.27
	Other bank balances:		
	In Deposit Accounts (refer note 16.1 and 16.2)	232.61	174.57
	Total	**244.26**	**242.83**
16.1	Bank Deposits of Rs 111.11 crore (as at March 31, 2014, Rs 87.61 crore) are under lien and lodged with Stock Exchanges towards base/ additional base capital.		
16.2	Bank Deposits of Rs.121.50 crore (as at March 31, 2014, Rs. 86.95 crore) are under lien with banks towards overdraft facilities and guarantees given by the banks to Stock Exchanges		
17	**Short-term loans and advances** (Unsecured and considered good)		
	Loans and advances to related parties	0.01	-
	Deposits with stock exchanges and professional clearing member	161.52	3.30
	Deposits for premises	1.18	0.62
	Service tax credit receivable	1.24	2.82
	Prepaid Expenses	1.53	1.48
	Staff Loans	0.14	0.07
	Others (employee advance,advance for expenses,etc)	0.45	0.14
	Total	**166.06**	**8.43**
18	**Other current assets** (Unsecured and considered good)		
	Interest accrued on bank deposits etc	8.65	1.65
	Securities held for settlement of claims	0.35	0.27
	Total	**9.00**	**1.92**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM FINANCIAL SERVICES LTD. MUMBAI

JM FINANCIAL SERVICES LIMITED
NOTES TO SPECIAL PURPOSE REFORMATTED STANDALONE FINANCIAL INFORMATION

(Rupees in Crore)

		For th year ended 31.03.2015	For th year ended 31.03.2014
19	**Revenue from operations**		
	Rendering of financial services		
	Brokerage	100.56	54.67
	Distribution, selling, advisory and other fees	123.08	102.22
		223.64	156.89
	Other operating revenues		
	Income from arbitrage business	-	6.67
	Dividend on equity shares held for arbitrage business	-	7.48
	Interest income on fixed deposit placed as margin, etc	26.35	21.28
	Income from trading in bonds	2.06	0.12
	Profit on sale of current investments	1.49	3.73
	Delayed payment charges recovered from clients	8.38	3.04
	Recoveries from clients/franchisees etc	0.76	0.52
		39.03	42.83
	Total	**262.67**	**199.72**
20	**Other income**		
	Interest income	11.03	1.57
	Share of profit from partnership firm where the Company is a Partner	1.43	-
	Dividend Income	-	-
	- On non current investments (Non-trade)	0.03	0.04
	Profit on sale of fixed assets (net)	0.02	-
	Diminution in value of securities written back	0.04	-
	Miscellaneous income	0.02	0.06
	Total	**12.58**	**1.68**
21	**Employee benefit expense**		
	Salaries, bonus, other allowances and benefits	67.88	51.75
	Contribution to provident and other funds	2.46	2.37
	Gratuity (refer note 29)	1.27	0.31
	Staff welfare	0.67	0.78
	Total	**72.29**	**55.20**
22	**Finance Costs**		
	Interest expense :		
	Bank Overdraft	2.70	2.71
	Inter Corporate Deposits	0.10	0.14
	Commercial Papers	19.33	17.18
	Margin Deposits	0.52	0.79
	Finance charges on leased assets	0.07	0.06
	Other borrowing costs :	-	-
	Bank Guarantee charges	0.67	0.65
	Securities borrowing costs	-	2.14
	Total	**23.39**	**23.68**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM FINANCIAL SERVICES LTD. MUMBAI

JM FINANCIAL SERVICES LIMITED
NOTES TO SPECIAL PURPOSE REFORMATTED STANDALONE FINANCIAL INFORMATION

(Rupees in Crore)

		For th year ended 31.03.2015	For th year ended 31.03.2014
23	**Other expenses**		
	Space and other related costs (refer note 28)	7.99	10.28
	Rates and taxes	1.41	0.65
	Repairs and maintenance	1.67	1.71
	Professional and consultancy charges	1.82	1.79
	Communication expenses	1.50	1.85
	Information technology expenses	6.10	5.79
	Membership and subscription	0.96	0.95
	Electricity	1.39	2.04
	Insurance	1.49	1.18
	Printing and stationery	0.86	0.97
	Donations	0.94	0.50
	Manpower expenses	5.59	5.39
	Auditors remuneration	0.15	0.14
	Director's Commission	0.06	0.02
	Travelling expenses	0.90	0.71
	Loss on Sale/ Discard of Fixed Assets (Net)	-	0.02
	Loss on sale of non-current investments (non-trade)	-	0.05
	Bad Debts written off	-	0.34
	Provision for diminution in value of long term investments	-	3.75
	Business development expenses	0.70	0.53
	Renovation expenses	0.01	0.06
	Miscellaneous expenses	3.85	3.07
		37.40	41.79
	Recovery of expenses	(0.44)	(0.18)
	Total	**36.96**	**41.61**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM FINANCIAL SERVICES LTD. MUMBAI

JM FINANCIAL SERVICES LIMITED
NOTES TO SPECIAL PURPOSE REFORMATTED STANDALONE FINANCIAL INFORMATION

(Rupees in Crore)

24	Contingent Liabilities and commitments	As at 31.03.2015	As at 31.03.2014
	Contingent Liabilities		
i	Service tax demand raised in respect of distribution of RBI Bonds against which the Company has preferred an appeal before Tribunal/ Commissioner of Service Tax and has paid an amount of Rs. 0.63 Crore under protest.	0.93	0.93
ii	Income tax demand in respect disputed disallowances under the Income Tax Act,1961.	0.61	0.16
	With regards to above, the Company is hopeful of succeeding and as such does not expect any significant liability to crystallize.		
	Commitments		
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for	0.41	0.15

25 Payment to Auditors (excluding service tax)

(Rupees in Crore)

	For the year ended 31.03.2015	For the year ended 31.03.2014
a) As auditors	0.09	0.09
b) For limited review	0.04	0.04
c) Other matters (Certification etc)	0.01	0.02
d) Out of pocket expenses	0.00	0.00
Total	**0.15**	**0.14**

0.00 Denotes amount below Rupees 50,000/-

26 Expenditure in Foreign Currency

(Rupees in Crore)

	For the year ended 31.03.2015	For the year ended 31.03.2014
Travelling Expenses	-	0.04
Purchase of EDP Software	-	0.00
information Technology Expenses	0.02	0.03
Total	**0.02**	**0.08**

0.00 Denotes amount below Rupees 50,000/-

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM FINANCIAL SERVICES LTD. MUMBAI

27 Segment Information

Primary Segment of the Company is business segment. The Company has identified two business segments: -

i. Rendering of Financial Services: This includes broking income from Primary and Secondary Market business, income from Depository Participant activities, income from Portfolio Management Services etc.

ii. Arbitrage business

(Rupees in Crore)

Particulars	As at and for the year ended 31.03.2015			As at and for the year ended 31.03.2014		
	Rendering of Financial Services	Arbitrage Business	Total	Rendering of Financial Services	Arbitrage Business	Total
Segment Revenue	262.67	-	262.67	181.55	18.17	199.72
Segment Results before taxes.	43.84	-	43.84	2.72	2.58	5.30
Unallocable Corporate Income/(Expenses) (Net)			2.67			(3.73)
Profit before Tax			46.51			1.57
Tax Expense			15.66			(0.16)
Net Profit after Tax			30.85			1.73
Other Information:						
Segment Assets	776.41	-	776.41	404.99	-	404.99
Unallocable Corporate Assets			61.44			99.62
Total Assets			837.85			504.61
Segment Liabilities	570.73	-	570.73	268.10	-	268.10
Total Liabilities			570.73			268.10
Capital Expenditure	6.57	-	6.57	6.49	-	6.49
Depreciation	3.99	-	3.99	3.43	0.00	3.44

The Company operates in only one geographical segment and hence no further information is provided.

28 Lease transactions:

i. Finance Lease:

The Company has acquired vehicles on finance lease. The tenure of the lease agreements ranges between 36 to 48 months with an option of prepayment / foreclosure.

Minimum lease rentals outstanding in respect of these assets are as under:

(Rupees in Crore)

Due	As at 31.03.2015			As at 31.03.2014		
	Total minimum lease payments outstanding as at the year end	Interest not due	Present value of minimum lease payments as at the year end	Total minimum lease payments outstanding as at the year end	Interest not due	Present value of minimum lease payments as at the year end
Not later than one year	0.22	0.06	0.16	0.17	0.06	0.11
Later than one year and not later than five year	0.21	0.04	0.17	0.34	0.09	0.25
Total	0.43	0.10	0.33	0.51	0.15	0.36

ii. Operating Lease

a. The Company has taken certain premises on non-cancellable operating leases. The tenures of such agreements range from 12 to 36 months. Future Minimum Lease Payments under Non-Cancellable Operating Lease are:

(Rupees in Crore)

Due	For 2014-15	For 2013-14
Not later than one year	4.56	4.31
Later than one year and not later than five years	20.36	-
Total	24.93	4.31
Debit to Statement of Profit and Loss	4.36	4.36

b. The Company has taken certain premises on cancellable operating lease. The tenure of lease ranges from 12 months to 108 months with an option of foreclosure. Lease payments recognized in the Statement of Profit and Loss in respect thereof aggregate for financial year 2014-15 Rs.3.63 crore and for financial year 2013-14 Rs.5.93 crore





29 Employee Benefits

Short-term employee benefits:
The Company provides for accumulated compensated absences as at balance sheet date using full cost method to the extent leave will be utilised. The charge for the current year is disclosed under Salaries and Bonus.

Defined Contribution Plan:
Contributions are made to Government Provident Fund and Family Pension Fund which covers all regular employees. While both the employees and the Company make predetermined contributions to the provident fund, contribution to the family pension fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.
Amount recognized as expense in respect of these defined contribution plans, aggregate Rs.2.45 crore for financial year 2014-15 and Rs. 2.35 crore for financial year 2013-14.

Defined Benefit Plan:
Gratuity (unfunded):
Provision is made for gratuity based upon actuarial valuation done at the end of every financial year using "Projected Unit Credit" method and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

(Rupees in Crore)

	Gratuity (unfunded)	
	2014-15	2013-14
I. Reconciliation of liability recognised in the Balance Sheet		
Fair value of plan assets as at the end of the year	-	-
Present value of obligation as at the end of the year	5.23	4.23
Net liability in the Balance Sheet	5.23	4.23
II. Movement in net liability recognised in the Balance Sheet		
Net liability as at the beginning of the year	4.23	4.21
Net expense recognised in the Statement of Profit and Loss	1.27	0.31
Benefits paid	(0.28)	(0.29)
Liability extinguished on transfer	0.01	-
Net liability as at the end of the year	5.23	4.23
III. Expense recognised in the Profit and Loss Account		
(Under the head "Employee Benefit Expense" Refer Note 21)		
Current Service Cost	0.49	0.55
Interest cost	0.42	0.38
Actuarial Loss / (Gains)	0.37	(0.62)
Expense charged to the Statement of Profit and Loss	1.27	0.31
IV. Reconciliation of defined benefit commitments		
Commitments at the beginning of the year	4.23	4.21
Current Service Cost	0.49	0.55
Interest Cost	0.42	0.38
Actuarial Loss / (Gains)	0.37	(0.62)
Benefits Paid	(0.28)	(0.29)
Liability extinguished on transfer	0.01	-
Commitments at the year end	5.23	4.23
V. Actuarial Assumptions		
Mortality table	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table
Discount rate (per annum)	8.00%	9.10%
Rate of escalation in salary (per annum)	7.00%	7.00%

VI. Experience history	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15
Defined Benefit Obligation	3.27	3.63	4.21	4.23	5.23
Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	(3.27)	(3.63)	(4.21)	(4.23)	(5.23)
Experience Adj. on Plan Liab.	(0.53)	0.05	(0.21)	(0.14)	(0.20)
Experience Adj. on Plan Assets	-	-	-	-	-

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM FINANCIAL SERVICES LTD. MUMBAI

30. Related party disclosures

A) Enterprise where control exists

i) Ultimate Holding Company	JM Financial Ltd
ii) Holding Company	JM Financial Products Limited
iii) Subsidiary Company/Firm	JM Financial Commtrade Limited Astute Investments (w.e.f May 19,2014)

B) Related parties where transaction have taken place during the year

i) Ultimate Holding Company	JM Financial Ltd
ii) Holding Company	JM Financial Products Limited
iii) Subsidiary Company/Firm	JM Financial Commtrade Limited Astute Investments (w.e.f May 19,2014)
iv) Fellow Subsidiaries	JM Financial Investment Managers Limited JM Financial Asset Management Limited JM Financial Institutional Securities Limited Infinite India Investment Management Limited JM Financial Properties and Holdings Limited JM Financial Credit Solutions Limited (Formerly known as FICS Consultancy Services Limited) JM Financial Insurance Broking Pvt. Ltd.
v) Individual exercising significant influence by way of voting power in reporting enterprise and relatives of any such person	Mr. Nimesh N Kampani Relatives : Ms. Aruna Kampani Mr. Vishal Kampani Ms. Amishi Kampani
vi) Key management personnel and relatives of such personnel	Mr. Anil Mavinkurve Relatives : Ms. Archana Mavinkurve Ms. Niyati Mavinkurve Ms. Sachi Mavinkurve
vii) Enterprises over which any person described in Clause B v) above is able to exercise significant influence	JSB Securities Ltd Kampani Consultants Limited SNK Investments Private Limited JM Assets Management Pvt. Ltd JM Financial Trustee Company Private Limited J. M. Financial & Investment Consultancy Services Pvt Ltd Capital Market Publishers India Private Limited





JM FINANCIAL SERVICES LIMITED
NOTES TO SPECIAL PURPOSE REFORMATTED STANDALONE FINANCIAL INFORMATION

Related Party Transactions

(Rupees in Crore)

Sr.No	Name of the related party	Nature of Transaction	2014-15	2013-14
i) Ultimate Holding Company	JM Financial Ltd	Demat charges received	0.00	0.00
		Reimbursement of employee expenses	1.57	2.05
		Sales of shares (JM Financial Insurance Broking Pvt. Ltd.)	-	0.01
		Rent paid	0.24	0.24
		Closing Balance Receivable / (Payable)	0.00	0.00
		Closing Balance - Deposit	1.00	1.00
ii) Holding Company	JM Financial Products Limited	ICD Taken	77.00	141.50
		ICD Repaid	77.00	141.50
		Interest on ICD paid	0.10	0.14
		Secondary Brokerage Received	0.02	-
		Gratuity received on transfer of employees	0.02	-
		Gratuity paid on transfer of employees	0.00	-
		Closing Balance Receivable / (Payable)	0.01	-
iii) Subsidiary Company	JM Financial Commtrade Limited	Purchase of 6% non cumulative Preferance Shares	-	5.00
		ICD Given	-	46.03
		ICD Recovered	-	66.44
		Interest on ICD received	-	1.43
		Demat charges received	0.00	0.05
		Staff Loan paid on transfer of employee	0.00	-
		Gratuity paid on transfer of employees	0.00	-
	JM Financial Insurance Broking Pvt. Ltd. (upto March 28, 2014)	Referral fees paid	Not Applicable	0.00
	Astute Investments (w.e.f May 19,2014)	Capital Contribution	0.60	Not Applicable
		Current account contributions paid	419.36	Not Applicable
		Receipt on partner's current account	419.95	Not Applicable
		Interest paid on margin money	0.12	Not Applicable
		Interest received on current account contributions	10.54	Not Applicable
		Secondary Brokerage Received	0.06	Not Applicable
		Demat charges received	0.00	Not Applicable
		Reimbursement of expenses (received)	0.17	Not Applicable
		Share of Profit for the period	1.43	Not Applicable
		Closing Balance Receivable / (Payable) - Current	0.84	Not Applicable
		Closing Balance Receivable / (Payable) - Trade receivable	0.01	Not Applicable
iv) Fellow Subsidiaries	Infinite India Investment Management Private Limited	Sale of 6% non cumulative Preferance Shares	-	5.00
		Purchase of 6% non cumulative Preferance Shares	5.00	-
	JM Financial Asset Management Limited	Demat Charges (received)	0.00	-
		Secondary Brokerage Received	0.21	-
		Closing Balance Receivable / (Payable)	(0.00)	-
	JM Financial Institutional Securities Limited	Fees Received	-	0.15
		ICD Given	-	112.10
		ICD Recovered	-	112.10
		Interest on ICD received	-	0.12
		Demat Charges (received)	0.00	0.00
		Closing Balance Receivable / (Payable)	-	0.60

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

JM FINANCIAL SERVICES LTD.
MUMBAI

31 Earning per share

	2014-15	2013-14
a. Basic and Diluted Earnings Per Share		
Profit attributable to equity shareholders (Rupees in crore)	30.85	1.73
Weighted average number of shares outstanding during the year	50,000,000	50,000,000
Basic/Diluted earnings per share (Rupees)	6.17	0.35
b. Nominal value per share (Rupees)	10.00	10.00

32 Employee stock option

Financial Year 2014-15

During the year, based on the request made by JM Financial Services Limited (formerly known as JM Financial Services Private Ltd.) ('the Company'), JM Financial Limited, in accordance with Securities And Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company. 1,356,205 stock options have been granted on April 21, 2011, 1,197,333 have been granted on April 16, 2012, 450,000 have been granted on May 6, 2013 and 861,999 have been granted on April 1, 2014.The option shall be eligible for vesting as per following schedule:

Vesting Date	Options (Nos.)	Status	Exercise Year	Exercise Price (Rupee)
21st April, 2012	452,068	Vested	Seven years from the date of Grant	1
21st April, 2013	452,068	Vested	Seven years from the date of Grant	1
21st April, 2014	452,069	Vested	Seven years from the date of Grant	1
16th April 2013	399,111	Vested	Seven years from the date of Grant	1
16th April 2014	399,111	Vested	Seven years from the date of Grant	1
16th April 2015	399,111	To be vested	Seven years from the date of Grant	1
6th May 2014	150,000	Vested	Seven years from the date of Grant	1
6th May 2015	150,000	To be vested	Seven years from the date of Grant	1
6th May 2016	150,000	To be vested	Seven years from the date of Grant	1
1st April 2015	287,333	To be vested	Seven years from the date of Grant	1
1st April 2016	287,333	To be vested	Seven years from the date of Grant	1
1st April 2017	287,333	To be vested	Seven years from the date of Grant	1

The details of stock option granted to employees are as under:

Particulars	For 2014-15 Nos.
Outstanding at the beginning of the year	1,748,777
Granted during the year	861,999
Lapsed/transferred during the year	5,187
Exercised during the year	998,064
Outstanding at the end of the year	1,607,525
Excercisable at the end of the year	50,414

The charge on account of the above scheme included in employee benefit expense aggregate Rs. 1.57 crore. Since the options are issued by JM Financial Limited, the Ultimate Holding company, basic and diluted earnings per share of the Company would remain unchanged.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

JM FINANCIAL SERVICES LTD. MUMBAI

Financial Year 2013-14

During the year, based on the request made by JM Financial Services Limited (formerly known as JM Financial Services Private Ltd.) ('the Company'), JM Financial Limited, in accordance with Securities And Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company. 1,356,205 stock options have been granted on April 21, 2011, 1,197,333 have been granted on April 16, 2012 and 450,000 have been granted on May 6, 2013.The option shall be eligible for vesting as per following schedule:

Vesting Date	Options (Nos.)	Status	Exercise Year	Exercise Price (Rupee)
21st April, 2012	452,068	Vested	Seven years from the date of Grant	1
21st April, 2013	452,068	Vested	Seven years from the date of Grant	1
21st April, 2014	452,069	To be vested	Seven years from the date of Grant	1
16th April 2013	399,111	Vested	Seven years from the date of Grant	1
16th April 2014	399,111	To be vested	Seven years from the date of Grant	1
16th April 2015	399,111	To be vested	Seven years from the date of Grant	1
6th May 2014	150,000	To be vested	Seven years from the date of Grant	1
6th May 2015	150,000	To be vested	Seven years from the date of Grant	1
6th May 2016	150,000	To be vested	Seven years from the date of Grant	1

The details of stock option granted to employees are as under:

Particulars	For 2013-14 Nos.
Outstanding at the beginning of the year	2,108,195
Granted during the year	450,000
Lapsed/transferred during the year	22,624
Exercised during the year	786,794
Outstanding at the end of the year	1,748,777
Excercisable at the end of the year	71,131

The charge on account of the above scheme included in employee benefit expense aggregate Rs. 2.05 crore. Since the options are issued by JM Financial Limited, the Ultimate Holding company, basic and diluted earnings per share of the Company would remain unchanged.

33 **Financial year 2014-15**

The Company has spent Rs.0.39 crore towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
JM Financial Services Limited

Hemant Kotak
Director
DIN: 00412903

Vishwanath Subramaniam
Chief Financial Officer

Date: January 28, 2019

Khimji Kunverji & Co
Chartered Accountants (Registered)

Auditors' Report on the Special Purpose Reformatted standalone statement of assets and liabilities as at March 31, 2014 and 2015 and Special Purpose Reformatted standalone statements of profit and loss and cash flows for the years ended March 31, 2014 and 2015 of JM Financial Commtrade Limited (collectively, the "Special Purpose Reformatted Standalone Financial Information")

The Board of Directors
JM Financial Commtrade Limited
7th Floor, Cnergy, Appasaheb Marathe Marg
Prabhadevi, Mumbai- 400 025

Dear Sirs / Madams,

1. We have examined the attached Special Purpose Reformatted Standalone Financial Information of JM Financial Commtrade Limited (the "Company"), an erstwhile subsidiary of the JM Financial Products Limited (the "Holding Company" or the "Issuer Company") as at March 31, 2014 and 2015 and for the years ended March 31, 2014 and 2015, annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with the proposed public issue of Secured, Redeemable, Non Convertible Debentures of Face Value of Rs. 1,000 each and Unsecured, Redeemable, Non Convertible Debentures of Face Value of Rs. 1,000 Each ("NCDs") through one or more tranches ("Issue") by the Issuer Company. The Special Purpose Reformatted Standalone Financial Information, which have been approved by the Board of Directors of the Company, have been prepared by the Company in accordance with the requirements of:

   a) Section 26 of Chapter III of The Companies Act, 2013, as amended (the "Act"); and

   b) relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ('the Regulations') issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act").

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Special Purpose Reformatted Standalone Financial Information

2. The preparation of Special Purpose Reformatted Standalone Financial Information, which are to be included in the Draft Shelf Prospectus and the Shelf Prospectus, is the responsibility of the Management of the Company for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the special purpose Reformatted Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, the Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Special Purpose Reformatted Standalone Financial Information taking into consideration:

   a) the terms of reference and our engagement agreed with you vide our engagement letter dated October 29, 2018 with the Issuer Company requesting us to carry out work on such Special Purpose Reformatted Standalone Financial Information in connection with the Issuer Company's Issue of NCDs;

KHIMJI KUNVERJI & CO NM CHARTERED ACCOUNTANTS MUMBAI

b) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and

c) the requirements of Section 26 of the Act and the Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Issue of NCD.

d) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Special Purpose Reformatted Standalone Financial Information.

Special purpose Reformatted Standalone Financial Information

4. The Special Purpose Reformatted Standalone Financial Information have been compiled by the management from the audited standalone financial statements of the Company as at and for the years ended March 31, 2014 and 2015, which have been approved by the Board of Directors at their meetings held on May 18, 2015 and April 23, 2014, respectively.

5. Taking into consideration the requirements of Section 26 of Part I of Chapter III of the Act, the Regulations and the terms of our engagement agreed with you, we further report that:

a) the special purpose Reformatted Standalone Financial Information of the Company have been examined by us. These special purpose Reformatted Standalone Financial Information have been prepared after regrouping as in management's opinion were appropriate and more fully described in Significant Accounting policies and notes (Refer Note 1 A, Note 1 B and Note 1 to 30).

b) based on our examination as above:

i) the special purpose Reformatted Standalone Financial Information have to be read in conjunction with the notes given in Note 1 to 30 ; and

ii) the figures of earlier periods have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform to the classification adopted for the special purpose Reformatted Standalone Financial Information with the latest financial year.

6. In the preparation and presentation of special purpose Reformatted Standalone Financial Information based on audited standalone financial statements as referred to in paragraph 4 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 4 above.

7. In our opinion, the special purpose Reformatted Standalone Financial Information, as disclosed in the Annexures to this report, read with respective significant accounting policies disclosed in Note 1 B, and after making adjustments and regroupings as considered appropriate and disclosed has been prepared by the Company by taking into consideration the requirement of Section 26 of Part I of Chapter III of the Act and the Regulations.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

KHIMJI KUNVERJI NM CHARTERED ACCOUNTANTS MUMBAI

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

Restrictions on Use

11. This report is intended solely for use of the management of the Issuer Company for inclusion in the Draft Shelf Prospectus and the shelf Prospectus to be filed with SEBI, BSE Limited and ROC in connection with the proposed Issue of NCD of the Issuer Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For Khimji Kunverji & Co.
Chartered Accountants
Firm Registration Number: 105146W

Hasmukh B Dedhia
Partner (F – 33494)
Mumbai
January 28, 2019

NM

JM FINANCIAL COMMTRADE LIMITED
REFORMATTED STANDALONE SUMMARY STATEMENTS OF ASSETS AND LIABILITIES

(Rupees in Crore)

	Note No	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	23.50	23.50
(b) Reserves and Surplus	2	(16.66)	(17.99)
		6.84	**5.51**
(2) Non-Current Liabilities			
Long term provisions	3	0.02	0.03
(3) Current Liabilities			
(a) Trade payables	4	7.75	5.35
(b) Other current liabilities	5	0.25	0.14
(c) Short-term provisions	6	0.02	0.03
		8.02	**5.52**
Total		**14.88**	**11.06**
II.ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	-	0.00
(ii) Intangible assets	7	0.04	0.07
		0.04	**0.07**
(b) Non-current investments			
(i) Long term investments	8	0.40	-
(c) Long term loans and advances	9	0.63	0.59
		1.07	**0.66**
(2) Current assets			
(a) Current investments	10	0.56	-
(b) Trade receivables	11	0.09	0.27
(c) Cash and Bank Balance	12	11.57	7.91
(d) Short-term loans and advances	13	1.52	2.16
(e) Other current assets	14	0.07	0.06
		13.81	**10.40**
Total		**14.88**	**11.06**

For and on behalf of JM Financial Commtrade Limited

For Khimji Kunverji & Co
Chartered Accountants
Firm Registration Number : 105146W

Hasmukh B Dedhia
Partner (F-33494)

S R Nayak
Director
DIN: 00039894

Vishwanath Subramaniam
Chief Financial Officer

NM

JM FINANCIAL COMMTRADE LIMITED
REFORMATTED STANDALONE SUMMARY STATEMENTS OF PROFIT AND LOSS

(Rupees in Crore)

	Note No	For the Year ended 31.03.2015	For the Year ended 31.03.2014
I. Revenue from operations	15	2.02	4.19
II. Other Income	16	1.07	0.01
III. Total Revenue (I +II)		**3.09**	**4.20**
IV. Expenses:			
Sub Brokerage, Transaction Costs and Other Direct Expenses		0.35	0.49
Employee benefit expense	17	0.77	0.78
Financial costs	18	0.14	1.74
Depreciation and amortisation expense	7	0.03	0.06
Receivable from National Spot Exchange Limited ('NSEL') written off		-	15.43
Other expenses	19	0.37	0.77
Total Expenses		**1.66**	**19.27**
V. Profit before tax (III - IV)		**1.43**	**(15.07)**
VI. Tax expense:			
(1) Current tax		0.09	-
(2) Tax adjustment of Earlier Year		-	0.06
Total		**0.09**	**0.06**
VII. Profit for the period (V -VI)		**1.34**	**(15.13)**
VIII. Earning per equity share:			
(1) Basic		2.67	(30.25)
(2) Diluted		0.57	(11.73)

For and on behalf of JM Financial Commtrade Limited

For Khimji Kunverji & Co
Chartered Accountatnts
Firm Registration Number : 105146W

Hasmukh B Dedhia
Partner (F-33494)

NM

S R Nayak
Director
DIN: 00039894

Vishwanath Subramaniam
Chief Financial Officer

JM FINANCIAL COMMTRADE LIMITED
REFORMATTED STANDALONE SUMMARY CASH FLOW STATEMENT

(Rupees in Crore)

	Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
A	**Cash flow from operating activities**		
	Profit before tax	**1.43**	**(15.06)**
	Adjustment for:		
	Depreciation	0.03	0.06
	(Profit)/loss on sale of investments	(0.00)	-
	Provision for doubtful debts	0.05	0.02
	Provision for doubtful receivable	0.03	-
	Provision for gratuity	-	0.01
	Provision for/(reversal of) compensated absences	-	0.00
	Dividend income	(0.01)	(0.01)
	Interest income	-	(0.00)
	Interest expense	0.03	1.63
	(Profit)/loss on sale of assets	0.00	-
	Operating profit before working capital changes	**1.56**	**(13.35)**
	Adjustment for:		
	(Increase)/decrease in assets held for arbitrage	-	24.71
	(Increase)/decrease in trade receivables	0.12	11.65
	(Increase)/decrease in short-term loans and advances	0.60	4.25
	(Increase)/decrease in long-term loans and advances	-	0.00
	(Increase)/decrease in other current assets	(0.00)	0.07
	(Increase)/decrease in other Bank Balances	0.16	2.96
	Increase/(decrease) in long term provisions	(0.00)	0.00
	Increase/(decrease) in short term provisions	(0.01)	(0.00)
	Increase/(decrease) in short term borrowing	-	(21.95)
	Increase/(decrease) in trade payables	2.39	(22.43)
	Increase/(decrease) in other current liabilities	0.12	(0.31)
	Cash generated from/(used in) operations	**4.94**	**(14.40)**
	Direct taxes paid	(0.13)	(0.20)
	Net cash from/(used in) operating activities	**4.81**	**(14.60)**
B	**Cash flow from investing activities**		
	Purchase of non-current investments	(3.94)	(2.07)
	Sale of non-current investments	3.95	2.07
	Contribution to capital account of partnership firm	(0.40)	-
	Contribution to current account of partnership firm (net)	(0.56)	-
	Purchase of fixed assets	-	(0.01)
	Interest Income	-	0.00
	Dividend Income	0.01	0.01
	Net cash from/(used in) investment activities	**(0.94)**	**0.00**
C	**Cash flow from financing activities**		
	Proceeds from issue of share capital - Preference	-	16.00
	Interest paid	(0.04)	(1.63)
	Net cash from/(used in) financing activities	**(0.04)**	**14.37**
	Net increase/(decrease) in Cash and cash equivalents	**3.83**	**(0.22)**
	Cash & cash equivalents (opening)	2.05	2.26
	Cash & cash equivalents (closing)	5.87	2.04

For and on behalf of JM Financial Commtrade Limited

For Khimji Kunverji & Co
Chartered Accountatnts
Firm Registration Number : 105146W

Hasmukh B Dedhia
Partner (F-33494)

NM

S R Nayak
Director
DIN: 00039894

Ushwanath Subramaniam
Chief Financial Officer

JM FINANCIAL COMMTRADE LIMITED
Notes to the reformatted standalone financial information

Note 1 A Background

JM Financial Commtrade Limited ("the Company") has prepared the Reformatted Standalone Statement of Assets and Liabilities as at March 31, 2015 & 2014 and Reformatted Standalone Statement of Profit and Loss and the Reformatted Standalone Cash Flow Statements for the years ended March 31, 2015 & 2014 and the significant accounting policies and other explanatory information (together comprising the "Reformatted Standalone Financial Information").

The Reformatted Standalone Financial Information have been extracted by management from the Audited Financial Statements of the Company for the years ended March 31, 2015 and March 31, 2014 which were approved by Board of Directors of the Company and which have been audited by Khimji Kunverji & Co., Chartered Accountants. The auditors have issued an audit opinion dated dated May 18, 2015 and April 23, 2014 for the financial year ended March 31, 2015 and March 31, 2014 respectively to the Members of the Company.

The Reformatted Standalone Financial Information as at end for the years ended March 31, 2015 and March 31, 2014 has been regrouped/ reclassified wherever necessary to correspond with the presentation / disclosure requirements to comply with the requirements of Section 26(1)(b) of the Companies Act, 2013 read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (included under Chapter III of Appendix III) (hereinafter referred to as the "Act") and items (i) and (j) of Paragraph 3A of Schedule I of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended to date (the "SEBI (ILDS) Regulations") issued by the Securities and Exchange Board of India (the "SEBI").

These Reformatted Standalone Financial Information, do not reflect the effects of events that occurred subsequent to the dates of approval of the audited standalone financial statements of the respective years by the Board of Directors of the Company and also do not reflect the effects of change in accounting policies from one year to another, if any.

These Reformatted Standalone Financial Information has been prepared by the management for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed issue of NCDs of JM Financial Products Limited, the then holding Company of the Company ("the issuer company")

Note 1 B

Significant Accounting Policies

1 Accounting Convention

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those

2 Use of estimates

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles which require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialised.

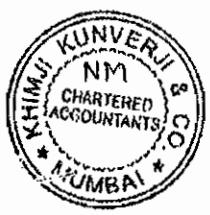
3 Revenue Recognition

Revenue is recognised when no significant uncertainty as to measurability or collectibility exists.

Revenue from Broking income is recognised on contract date.
Revenue from trading in securities is recognized on trade date of transaction net of securities transaction tax.

Dividend income on investments is accounted for when the right to receive the payment is established.





4 Fixed Assets and Depreciation

For 2014-15

Fixed Assets are recorded at cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation/ amortization and impairment loss, if any.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.
Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

Leasehold improvements are depreciated over the period of lease or useful life of the asset whichever is lower.
Assets acquired under finance lease are depreciated over the period of lease.
Assets costing Rs. 5,000/- or less are depreciated at 100%.

Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

Intangible assets are amortised on a straight line basis as under:

Asset	Useful Life
Computer Software	5 years

For 2013-14

Owned tangible assets

Tangible Fixed Assets are stated at original cost of acquisition less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their present location and working condition.

Depreciation on tangible fixed assets is provided, pro-rata basis for the period of use, on the Straight Line Method (SLM), based on rates as per management's estimate of useful lives of the fixed assets, or at the rates prescribed in Schedule XIV to the Companies Act , 1956 (the 'Act') whichever is higher, as per the following table:

Asset	Useful Life
Office Equipments	5 years
Computers	5 years
Computer Softwares	5 years
Motor Vehicles	5 years
Furniture and Fixtures	10 years

Assets costing Rs. 5,000/- or less are fully depreciated in the year of acquisition.

Owned intangible assets

Intangible Fixed assets are stated at cost of acquisition or internal generation, less accumulated amortisation and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured. The depreciable amount of the intangible assets is allocated over the best estimate of its useful life on a straight line basis.

The Company capitalises software and related implementation costs where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over management estimate of its useful life not exceeding 5 years.

JM FINANCIAL COMMTRADE LIMITED

A. Significant Accounting Policies

5 Investments

Investments are classified as non-current (long term) or current. Non-current (long term) investments are carried at cost, however, provision for diminution in the value of non-current (long term) investments is made to recognise a decline, other than temporary, in the value of investments. The provision for diminution in the value of the quoted non-current (long term) investments is made to recognise the decline at lower of cost or market value, determined on the basis of the quoted prices of individual investment. Provision for diminution in the value of unquoted non-current (long term) investments is made as per the Management's estimate. Current investments are carried at lower of cost or market value.





6 Arbitrage business

The Company enters into transactions in the commodity arbitrage.

The Company has adopted the recognition and measurement principles enunciated in 'Accounting Standard 30' (AS-30), 'Financial Instruments; Recognition & Measurement' to the extent it is not inconsistent with the 'Accounting Standards'specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, for the arbitrage transactions of the Company in MCX and NCDEX, encompassing purchase of commodities in the cash market and selling the same in the futures market. These are considered to be part of a portfolio of identified financial instruments that are managed as part of that group and are acquired principally for the purpose of selling/repurchasing in the near term, and hence these are treated as financial assets 'held for arbitrage business'. Accordingly, if the net difference is a loss (being an unrealised loss), provision is made for the same in the Profit and Loss account and if the net difference is a gain (being an unrealised gain), credit is not taken for the same on the principle of prudence.

The Company also enters into transactions in the National Spot Exchange encompassing purchase of commodities in the spot market in the near month and sale in the future month. The closing stock in respect of such transactions are valued at cost based on the " firm sales" concept per Accounting Standard 2.

7 Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Gratuity liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

8 Taxation

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realised. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

9 Provisions, Contingent Liabilities & Contingent Assets

Contingent Liabilities are possible but not probable obligations as on the balance sheet date, based on the available evidence. Provisions are recognised when there is a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. Contingent assets are not recognised in the financial statements.

JM FINANCIAL COMMTRADE LTD. MUMBAI

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL COMMTRADE LIMITED

Notes to the reformatted standalone financial information

		(Rupees in crore)
	As at 31-Mar-15	As at 31-Mar-14
1 Share capital		
Authorised:		
6,000,000 (Previous year 6,000,000) Equity Shares of Rs.10/- each	6.00	6.00
19,000,000 (Previous year 19,000,000) Redeemable Preference Shares of Rs.10/- each	19.00	19.00
	25.00	**25.00**
Issued, Subscribed and Paidup:		
5,000,000 (Previous year 5,000,000) Equity Shares of Rs.10/- each fully paid-up	5.00	5.00
2,500,000 (Previous year 2,500,000) 9% Optionally convertible Cumulative Redeemable Preference Shares of Rs.10/- each fully paid-up	2.50	2.50
16,000,000 (Previous year 16,000,000) 6% Optionally convertible Non Cumulative Redeemable Preference Shares of Rs.10/- each fully paid-up	16.00	16.00
Total	**23.50**	**23.50**

Notes : For FY 2014-15

1 a) 5,000,000 Equity Shares, 2,500,000 9% Non Cumulative Redeemable Preference Shares are held by JM Financial Services Limited & its nominees.

b) 16,000,000 6% Optionally convertible Non Cumulative Redeemable Preference Shares are held by JM Financial Services Limited

2 The Company has an option to convert all or a part of the 9% Optionally convertible Cumulative Redeemable Preference Shares outstanding into fully paid up Equity Shares of the Company at any time after three months from the date of allotment of the Preference Shares by giving to the Preference Shareholders a three days notice in writing.

3 The holder(s) of the 6 % Optionally convertible Non Cumulative Redeemable Preference Shares shall have an option to convert all or a part of the Preference Shares outstanding, into fully paid Equity Shares of the Company at any time after the completion of three months from the date of allotment of the Preference Shares by giving to the Company a five days' notice in writing.

4 The Preference Shareholders have an option to redeem the 9% Optionally convertible Cumulative Redeemable Preference Shares at any time after three months from the date of allotment of the Preference Shares by giving to the Company three days notice in writing.

5 The Company shall have a right to redeem 6 % Optionally convertible Non Cumulative Redeemable Preference Shares either fully or partly, in tranches, any time within a period of 10 years by giving at least 15 days written notice to the Preference shares holder(s).

6 Each holder of equity shares is entitled to one vote per share.

Notes : For FY 2013-14

1 a) 5,000,000 Equity Shares, 2,500,000 9% Non Cumulative Redeemable Preference Shares are held by JM Financial Services Limited & its nominees.

b) 11,000,000 6% Optionally convertible Non Cumulative Redeemable Preference Sharesare held by JM Financial Investment Managers Limited

c) 5,000,000 6% Optionally convertible Non Cumulative Redeemable Preference Sharesare held by Infinite India Investment Management Pvt. Ltd.

2 The Company has an option to convert all or a part of the 9% Non Cumulative Redeemable Preference Shares outstanding into fully paid up Equity Shares of the Company at any time after three months from the date of allotment of the Preference Shares by giving to the Preference Shareholders a three days notice in writing.

3 The Preference Shareholders have an option to redeem the 9% Non Cumulative Redeemable Preference Shares at any time after three months from the date of allotment of the Preference Shares by giving to the Company three days notice in writing.

4 The holder(s) of the OCPS shall have an option to convert all or a part of the OCPS outstanding, into fully paid Equity Shares of the Company at any time after the completion of three months from the date of allotment of OCPS by giving to the Company a five days' notice in writing. The holder(s) of the OCPS shall be entitled, upon conversion, to receive one Equity Share of the Company for each OCPS presented for conversion.

5 The Company shall have a right to redeem OCPS either fully or partly, in tranches, any time within a period of 10 years by giving at least 15 days written notice to the OCPS holder(s).

6 Each holder of equity shares is entitled to one vote per share.

JM FINANCIAL COMMTRADE LTD. MUMBAI

KHIMJI KUNVERJI & CO. NM CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL COMMTRADE LIMITED

Notes to the reformatted standalone financial information

(Rupees in crore)

7 Reconciliation for share outstanding

Particulars	Equity Shares			
	As at 31.03.2015		As at 31.03.2014	
	Number	Rs. in Crore	Number	Rs. in Crore
Shares outstanding at the beginning of the year	50,00,000	5.00	50,00,000	5.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,00,000	5.00	50,00,000	5.00

Particulars	9% Optionally convertible Cumulative Redeemable Preference Shares			
	As at 31.03.2015		As at 31.03.2014	
	Number	Rs. in Crore	Number	Rs. in Crore
Shares outstanding at the beginning of the year	25,00,000	2.50	25,00,000	2.50
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	25,00,000	2.50	25,00,000	2.50

Particulars	6% Optionally Convertible Non Cumulative Redeemable Preference Sharesare			
	As at 31.03.2015		As at 31.03.2014	
	Number	Rs. in Crore	Number	Rs. in Crore
Shares outstanding at the beginning of the year	1,60,00,000	16.00	-	-
Shares Issued during the year	-	-	1,60,00,000	16.00
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,60,00,000	16.00	1,60,00,000	16.00

JM FINANCIAL COMMTRADE LTD. MUMBAI

KHIMJI KUNVERJI & CO. NM CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL COMMTRADE LIMITED

Notes to the reformatted standalone financial information

(Rupees in crore)

		As at 31-Mar-15	As at 31-Mar-14
2	**Reserves and surplus**		
	Surplus / (Deficit)		
	Opening Balance	(17.99)	(2.87)
	Less : Depreciation of earlier years adjusted	(0.00)	-
	Add : Net profit / (loss) after tax transferred from Statement of Profit and Loss	1.34	(15.12)
	Total	**(16.66)**	**(17.99)**
3	**Long term provisions**		
	Provision for Gratuity	0.02	0.03
	Total	**0.02**	**0.03**
4	**Trade payables**		
	Sundry Creditors	71.38	69.21
	(Refer note no. 22)	-	-
	Less:-On account of clients (Receivable from National Spot Exchange Limited)	(63.63)	(63.89)
		7.75	5.32
	Subbrokerage Payable	-	0.03
	Total	**7.75**	**5.35**
5	**Other current liabilities**		
	Employees benefits payable	0.21	0.07
	Statutory dues payable	0.02	0.01
	Provision for expenses / interest payable	0.02	0.05
	Total	**0.25**	**0.14**
6	**Short-term provisions**		
	Compensated absences	0.02	0.03
	Provision for Gratuity	0.00	0.00
	Total	**0.02**	**0.03**

KHIMJI KUNVERJI & CO. NM CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL COMMTRADE LIMITED

7 Fixed Assets

(Rupees in Crore)

Description of Assets	Gross Block		Depreciation/Amortisation		Net Block	
	As at March 31,2015	As at March 31,2014	As at March 31,2015	As at March 31,2014	As at March 31,2015	As at March 31,2014
TANGIBLE ASSETS						
Own Assets						
Furniture and Fixtures	-	0.02	-	0.01	-	0.00
Computers	0.13	0.22	0.13	0.22	-	0.00
Office Equipment	0.01	0.02	0.01	0.02	-	-
TOTAL	**0.14**	**0.26**	**0.14**	**0.26**	**-**	**0.00**
INTANGIBLE ASSETS						
Software	0.34	0.34	0.30	0.27	0.04	0.07
TOTAL	**0.34**	**0.34**	**0.30**	**0.27**	**0.04**	**0.07**
					-	-

JM FINANCIAL COMMTRADE LTD. MUMBAI

KHIMJI KUNVERJI & CO. NM CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL COMMTRADE LIMITED

Notes to the reformatted standalone financial information

(Rupees in crore)

		As at 31-Mar-15	As at 31-Mar-14
8	**Long term Investments**		
	Capital Contribution in Astute Investments, a Partnership Firm (see note below)	0.40	-
	Total	**0.40**	**-**
	Note :		
	Investment in Partnership Firm, Astute Investments (formed on 19th May, 2014)		
	JM Financial Commtrade Ltd (Partner) :		
	Capital contribution	0.40	-
	Current account contribution (refer note 10)	0.56	-
	Percentage share of Profit/Loss	40%	-
	JM Financial Services Ltd (Partner) :		
	Capital contribution	0.60	-
	Current account contribution	0.84	-
	Percentage share of Profit/Loss	60%	-
9	**Long term loans and advances**		
	Unsecured, considered good		
	Deposits with Exchanges (see note below)	0.28	0.28
	Deposits	0.08	0.08
	Advance Taxes and Tax Deducted at Source (net of provision for tax)	0.27	0.23
	Total	**0.63**	**0.59**
	Note :		
	Deposits with Exchanges (Refundable)		
	- National Commodity & Derivatives Exchange Limited ('NCDEX')	0.15	0.15
	- Multi Commodity Exchange of India Limited ('MCX')	0.03	0.03
	- National Spot Exchange Limited ('NSEL')	0.10	0.10
		0.28	**0.28**
10	**Current investments**		
	Contributions to Partnership Firm where a company is a Partner on Current Account (refer note 8)	0.56	-
	Total	**0.56**	**-**
11	**Trade receivables**		
	Outstanding for a period exceeding six months		
	Secured, considered good	0.04	0.01
	Unsecured, considered doubtful	-	-
	-On account of clients	0.07	0.03
		0.11	0.04
	Less: Provision for doubtful debts	0.08	0.03
		0.03	0.01
	Others		
	Secured, considered good	0.05	0.09
	Unsecured, considered good	0.01	0.17
		0.06	0.26
	Total	**0.09**	**0.27**

JM FINANCIAL COMMTRADE LTD. MUMBAI

KHIMJI KUNVERJI & CO. NM CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL COMMTRADE LIMITED

Notes to the reformatted standalone financial information

(Rupees in crore)

		As at 31-Mar-15	As at 31-Mar-14
12	**Cash & Bank balances**		
	Cash and cash equivalents		
	Cash on hand	-	-
	Bank Balances		
	In Current Account	5.87	2.05
		-	-
	Other Bank Balances	5.70	5.86
	In Deposit Accounts (refer Note below)	-	-
	Total	**11.57**	**7.91**

Note :

(Fixed Deposits aggregating Rs. 4.80 Crore (Previous year Rs 4.25 Crore) are lodged with banks towards guarantees/overdrafts given by the banks.)

(Fixed Deposits aggregating Rs.0.60 Crore (Previous year Rs. 1.45 Crore) are lodged with Stock Exchanges towards base/additional base capital.)

13	**Short-term loans and advances**		
	Unsecured, considered good		
	Advances recoverable in cash or in kind or for value to be received	0.17	0.22
	Less: Provision for doubtful advances	0.03	-
		0.14	0.22
	Deposits with Commodity Exchanges - Additional Base Capital (see note below)	1.38	1.94
	Total	**1.52**	**2.16**

Note :

Deposits with Exchanges - Additional base capital (Refundable)

- Additional Base Capital NCDEX	0.01	0.05
- Additional Base Capital MCX	1.36	1.88
- Additional Base Capital NSEL	0.01	0.01
	1.38	**1.94**

14	**Other current assets**		
	Accrued Interest on Fixed Deposits	0.07	0.06
	Total	**0.07**	**0.06**

JM FINANCIAL COMMTRADE LTD. MUMBAI

KHIMJI KUNVERJI & CO. NM CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL COMMTRADE LIMITED
Notes to the reformatted standalone financial information

(Rupees In Crore)

	Year ended 31-Mar-15	Year ended 31-Mar-14
15 Revenue from operations		
Rendering of financial services		
Brokerage Income	1.48	1.81
Income from arbitrage business	-	1.63
Other operating revenue		
Interest on Fixed Deposits with Bank (placed as margin)	0.45	0.59
Recoveries from clients/franchisees etc	0.03	0.07
Penal interest recovered from clients	0.06	0.09
Total	**2.02**	**4.19**
16 Other income		
Interest income		
Interest on Income Tax Refund	-	0.00
Dividend income	-	-
Dividend on Mutual Fund	0.01	0.01
Other non operating income	-	-
Excess leave encashment provision written back	0.00	-
Excess gratuity provision written back	0.00	-
Recovery from NSEL written back	0.06	-
Miscellaneous Income	0.04	0.00
Profit on sale of investments	0.00	-
Share of profit from partnership firm where the Company is a Partner	- 0.96	- -
Total	**1.07**	**0.01**

JM FINANCIAL COMMTRADE LTD. MUMBAI

KHIMJI KUNVERJI & CO. NM CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL COMMTRADE LIMITED
Notes to the reformatted standalone financial information

(Rupees In Crore)

	Year ended 31-Mar-15	Year ended 31-Mar-14
17 Employee benefit expense		
Salaries, Bonus, Allowances & Other benefits	0.73	0.73
Contribution to Provident and other Funds	0.04	0.04
Gratuity	-	0.01
Staff Welfare	0.00	0.00
Total	**0.77**	**0.78**
18 Financial costs		
Interest on Inter Corporate Deposit	-	1.58
Interest on Bank OD	0.01	0.01
Interest - Others	0.00	0.02
Interest on Margins from Clients	0.10	0.09
Bank Guarantee Charges	0.03	0.04
Total	**0.14**	**1.74**
19 Other expenses		
Rates and Taxes	0.01	0.06
Repairs and Maintenance	-	-
- Others	0.01	0.05
Insurance	0.04	0.04
Legal, Professional and Consultancy charges	0.03	0.11
Auditors Remuneration	-	-
- as auditor	0.00	0.00
Communication Expenses	0.08	0.15
Membership and Subscription	0.10	0.21
Printing & Stationery Expenses	0.02	0.02
Provision for doubtful advances	0.03	-
Provision for doubtful debts	0.05	0.02
Loss on sale of assets	0.00	-
Filing Fees	-	0.09
Miscellaneous Expenses	0.02	0.02
	0.39	**0.77**
Less : Recovery of expenses	(0.02)	-
Total	**0.37**	**0.77**

JM FINANCIAL COMMTRADE LTD. MUMBAI

KHIMJI KUNVERJI & CO. NM CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL COMMTRADE LIMITED
Notes to the reformatted standalone financial information

20 Some of the credit balances are subject to confirmation and consequential adjustment, if any.

21 The Company has issued counter guarantee to the bank in respect of guarantees issued by bank to MCX & NCDEX for Rs. 7.10 Crore (Previous year Rs. 4.50 Crore)

22 Under the head "Trade Payables"(Note. B. 4) no separate disclosure is made for outstanding amount(s) due to Micro, Small and Medium Enterprises (SME) as defined under Micro, Small and Medium Enterprises Development Act 2006, as the Company has not received any communication from its vendors.

23 There are no Contingent Liabilities & commitments outstanding as at March 31, 2015 and as at March 31, 2014

JM FINANCIAL COMMTRADE LTD. MUMBAI

KHIMJI KUNVERJI & CO. NM CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL COMMTRADE LIMITED

Notes to the reformatted standalone financial information

24 Segment Information

The Company has identified two business segments: -

i. Commodity Broking : This includes broking income from commodity business.

ii. Arbitrage business : This includes income from commodity arbitrage business

(Rupees in Crore)

Particulars	For 2014-15			For 2013-14		
	Broking Commodity	Arbitrage Business	Total	Broking Commodity	Arbitrage Business	Total
Segment Revenue	2.02	-	2.02	1.96	1.64	3.59
Segment Results before taxes.	0.44	-	0.44	(0.21)	(15.29)	(15.50)
Unallocable Corporate Income/(Expenses) (Net)	-	-	1.07	-	-	0.45
Profit before Tax	-	-	1.43	-	-	(15.06)
Tax Expense	-	-	0.09	-	-	0.07
Net Profit after Tax	-	-	1.34	-	-	(15.12)
Other Information:	-	-	-	-	-	-
Segment Assets	2.01	-	2.01	2.86	-	2.86
Unallocable Corporate Assets	-	-	12.87	-	-	8.20
Total Assets	-	-	14.88	-	-	11.05
Segment Liabilities	8.04	-	8.04	5.55	-	5.55
Unallocable Corporate Liabilities	-	-	-	-	-	-
Total Liabilities	-	-	8.04	-	-	5.55
Capital Expenditure (including CWIP)	-	-	-	-	-	-
	-	-	-	-	-	-
Depreciation	0.03	-	0.03	0.06	-	0.06

The Company operates only in one geographical segment

JM FINANCIAL COMMTRADE LTD. MUMBAI

KHIMJI KUNVERJI & CO. NM CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL COMMTRADE LIMITED
Notes to the reformatted standalone financial information

25 Related Parties Disclosures

Names of related parties and description of relationship:

Ultimate Holding Company	JM Financial Limited
Holding Company	JM Financial Services Limited
Fellow Subsidiaries	JM Financial Institutional Securities Pvt. Ltd. JM Financial Investment Managers Limited JM Financial Properties and Holdings Limited
Associates or Joint Ventures	M/s. Astute Investments

Note: Related party relationship on the basis of the requirements of Accounting Standard 18 is ascertained by the management and relied upon by the auditors.

During the year following transactions were carried out with the related parties in the ordinary course of business.

(Rupees in Crore)

Particulars	FY 2014-15	FY 2013-14
Holding Company		
JM Financial Services Ltd.		
Increase in Capital	-	5.00
Inter Corporate Deposit Taken	-	46.03
Inter Corporate Deposit Repaid	-	66.44
Interest Expenses	-	1.43
Staff Loan received on transfer of employee	0.00	-
Gratuity received on transfer of employees	0.00	-
Expenses Incurred by (Payable)	0.00	0.05
Fellow Subsidiary		
JM Financial Properties & Holdings Pvt. Ltd.		
Inter Corporate Deposit Taken	-	11.00
Inter Corporate Deposit Repaid	-	11.00
Interest Expenses	-	0.15
JM Financial Investment Managers Ltd.		
Increase in Capital	-	11.00
Associates or Joint Ventures		
M/s. Astute Investments		
Capital Contribution	0.40	-
Share of Profit for the period	0.96	-
Receipt on partner's current account	0.40	-
Expenses incurred for (Received)	0.02	-
Balance Receivable	0.56	-

JM FINANCIAL COMMTRADE LTD. MUMBAI

KHIMJI KUNVERJI & CO. NM CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL COMMTRADE LIMITED
Notes to the reformatted standalone financial information
26 Disclosure under AS-15(Revised) "Retirement Benefits"

a) Defined Contribution Plans

Amount recognised as an expense and included in the Note B. 17 - 'Contribution to Provident Fund' Rs. 0.03 Crore for FY 2014-15 (Rs.0.04 Crore for FY 2013-14)

b) Defined Benefit Plans

The Company provides for gratuity based on acturial valuation under PUC method. The details whereof are as under: -

Table showing Change in Benefit Obligations :

(Rupees in Crore)

Particulars	FY 2014-15	FY 2013-14
Defined Benefit Obligations (DBO) at the beginning of the period	0.03	0.02
Interest Cost	0.00	0.00
Service Cost	0.01	0.01
Benefits paid	-	(0.01)
Actuarial (gain) loss on obligations	(0.02)	(0.00)
Liability extinguished on transfer	0.00	-
Closing PBO at the end of the period	0.03	0.03
Fair Value of Plan Assets	Nil	Nil
Liability recognised in Balance Sheet	0.03	0.03

The following assumptions have been made for the purpose of arriving at the liability on going concern basis-

Retirement age : 60 Years
Rate of Discounting : 8.00% per annum (previous year 9.10% per annum)
Salary Escalation : 7.00% per annum over a long term (previous year 7.00% per annum)
Mortality Table : Indian Assured Lives Mortality (2006-08) FY 2014-15
Mortality Table : LIC (1994-96) Ultimate FY 2013-14

c) Compensated absences

As per Company's policy, provision of Rs.0.02 Crore (previous year Rs.0.03 Crore) has been made towards compensated absences, calculated on the basis of unutilised leave as on the last day of the financial year.

27 Earning Per Share:

	FY 2014-15	FY 2013-14
Profit / (Loss) attributable to equity shareholders (Rupees in Crore)	1.34	(15.12)
Weighted average number of equity shares outstanding during the year	50,00,000	50,00,000
Basic Earnings per share (Rupee)	2.67	(30.25)
Weighted average number of dilutive potential equity shares outstanding during the year	2,35,00,000	1,28,91,781
Diluted Earnings per share (Rupee)	0.57	(11.73)
Nominal Value per Share (Rupee)	10	10

28 Deferred Tax assets arising due to timing differences on account of brought forward loss/unabsorbed depreciation has not been recognised as a measure of prudence.

29 The financial statements of the Company have been prepared based on going concern assumption having regard to business plans of the Company and financial support from the holding Company.

30 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For Khimji Kunverji & Co
Chartered Accountants
Firm Registration Number : 105146W

Hasmukh B Dedhia
Partner (F-33494)

NM

For and on behalf of JM Financial Commtrade Limited

S R Nayak
Director
DIN: 00039894

Vishwanath Subramaniam
Chief Financial Officer

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 22 6185 4000
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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON SPECIAL PURPOSE REFORMATTED FINANCIAL INFORMATION

To the Partners of Astute Investments

Dear Sirs,

1. We have examined the attached Special Purpose Reformatted Financial Information of **Astute Investments** (the "Firm"), comprising the Special Purpose Reformatted Statement of Assets and Liabilities as at March 31, 2015, the Special Purpose Reformatted Statement of Profit and Loss, the Special Purpose Reformatted Cash Flow Statement for the period from May 19, 2014 to March 31, 2015, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Special Purpose Reformatted Financial Information"). The Special Purpose Reformatted Financial Information have been prepared by the management of the firm on the basis of Note 1A to the Special Purpose Reformatted Financial Information and have been approved by the partners of the firm for the purpose of inclusion in the Draft Shelf Prospectus and Shelf Prospectus (collectively the "Offer Documents") prepared by the Erstwhile Intermediate Holding Company i.e. JM Financial Products Limited in connection with its proposed public issue of non-convertible debentures ("NCDs") prepared in terms of the requirements of:
   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
   b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "Regulations"); and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Firm's Management is responsible for the preparation of the Special Purpose Reformatted Financial Information for the purpose of inclusion in the Offer Documents of the erstwhile intermediate holding company to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed public issue of NCDs by the erstwhile intermediate holding company. The Special Purpose Reformatted Financial Information have been prepared by the firm's management on the basis of preparation stated in Note 1A to the Special Purpose Reformatted Financial Information. The firm's management responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Financial Information. The management of the firm are also responsible for identifying and ensuring that the Firm complies with the Act, the Regulations and the Guidance Note.

3. We have examined such Special Purpose Reformatted Financial Information taking into consideration:
   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 24, 2018 in connection with the proposed public issue of NCDs by the erstwhile intermediate holding company;
   b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Special Purpose Reformatted Financial Information; and
   d) The requirements of Section 26 of the Act and the Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Note in connection with the proposed public issue of NCDs by the

erstwhile intermediate holding company.

4. The Special Purpose Reformatted Financial Information have been compiled by the management from the Audited financial statement of the firm as at and for the period ended May 19, 2014 to March 31, 2015 prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants in India (ICAI) and in accordance with the accounting principles generally accepted in India, which have been approved by the partners of the firm at its meeting held on May 18, 2015.

5. For the purpose of our examination, we have relied on report issued by us dated May 18, 2015 on the financial statements of the firm for the period from May 10, 2014 to March 31, 2015 as referred in Paragraph 4 above.

7. Based on our examination and according to the information and explanations given to us, we report that the Special Purpose Reformatted Financial Information are prepared, in all material aspects, on the basis described in Note 1A to the Special Purpose Reformatted Financial Information.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

9. The Special Purpose Reformatted Financial Information do not reflect the effects of events that occurred subsequent to the date of the report on the audited financial statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of previous audit report issued by us, nor should this report be construed as a new opinion on the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the erstwhile Intermediate Holding Company for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed public issue of NCDs by the erstwhile intermediate holding company. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



G. K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, January 28, 2019

M/S ASTUTE INVESTMENTS
SPECIAL PURPOSE REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Crore)

	Note No.	As at 31.03.2015
PARTNERS' FUNDS AND LIABILITIES		
Partners' funds		
Partner's Capital Account	2	1.00
Partner's Current Account	3	1.40
		2.40
Current Liabilities		
Trade payables:	4	
- Dues to micro and small enterprises		-
- Others		0.02
Other current liabilities	5	0.38
		0.40
TOTAL		**2.80**
ASSETS		
Non-current assets		
Long-term loans and advances	6	0.24
		0.24
Current assets		
Cash and cash equivalents	7	2.56
Other current assets	8	0.00
		2.56
TOTAL		**2.80**
0.00 Denotes amount below Rupees 50,000/-		
See accompanying notes forming part of the special purpose reformatted financial information	1 to 15	

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

G.K. Subramaniam
Partner
Mumbai, dated: 28/1/2019

For M/s. Astute Investments

Authorised Signatory
JM Financial Services Limited

Authorised Signatory
JM Financial Commtrade Limited

Mumbai, dated: January 28, 2019

M/S ASTUTE INVESTMENTS
SPECIAL PURPOSE REFORMATTED STATEMENT OF PROFIT AND LOSS

(Rupees in Crore)

	Note No.	For the period ended 31.03.2015
Revenue:		
Revenue from operations	9	18.08
Other Income	10	0.10
Total Revenue		**18.18**
Expenses:		
Interest expense	11	14.30
Other expenses	12	0.26
Total Expenses		**14.56**
Profit before tax		**3.62**
Tax expense:		
Current tax		1.23
Profit for the period		**2.39**
Share of Profit transferred to Partners' Current Accounts		
JM Financial Services Limited (60%)		1.43
JM Financial Commtrade Limited (40%)		0.96
		2.39
See accompanying notes forming part of the reformatted financial information	1 to 15	

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

G.K. Subramaniam
Partner
Mumbai, dated: 28/1/2019

For M/s. Astute Investments

Authorised Signatory
JM Financial Services Limited

Authorised Signatory
JM Financial Commtrade Limited

Mumbai, dated: January 28, 2019

M/S ASTUTE INVESTMENTS
SPECIAL PURPOSE REFORMATTED CASH FLOW STATEMENT

(Rupees in Crore)

			As at and for the period ended 31.03.2015
A	**Cash Flow from Operating Activities**		
	Net Profit Before Tax		3.62
	Adjustments for :		
	Interest expense		14.30
	Profit on Sale of Current Investment		(0.10)
	Interest income		(0.00)
	Operating profit before working capital changes		**17.82**
	Adjustment for:		
	Increase in trade payables and other current liabilities		0.40
	Cash generated from operations		**18.22**
	Income taxes paid		(1.46)
	Net cash generated from operating activities		**16.76**
B	**Cash Flow from Investing Activities**		
	Purchase of current investment (non-trade)		(299.62)
	Redemption of current investments (non-trade)		299.72
	Net cash generated from investing activities		**0.10**
C	**Cashflow from Financing Activities**		
	Contribution by partners on capital account		1.00
	Contribution by partners on current account		419.36
	Payment to partners on current account		(420.35)
	Proceeds from short term borrowings		200.00
	Repayment of short term borrowings		(200.00)
	Interest paid		(14.30)
	Net Cash (used in) financing activities		**(14.29)**
	Net increase in Cash and Cash Equivalents (A+B+C)		2.56
	Cash and cash equivalents at the beginning of the period		-
	Cash and cash equivalents at the end of the period		2.56
	0.00 Denotes amount below Rupees 50,000/-		
	See accompanying notes forming part of the special purpose reformatted financial information	1 to 15	

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

G.K. Subramaniam
Partner
Mumbai, dated: 28/1/2019

For M/s. Astute Investments

Authorised Signatory
JM Financial Services Limited

Authorised Signatory
JM Financial Commtrade Limited

Mumbai, dated: January 28, 2019

M/S ASTUTE INVESTMENTS

NOTES TO SPECIAL PURPOSE REFORMATTED FINANCIAL INFORMATION

1A The Firm has prepared the Special Purpose Reformatted Statement of Assets and Liabilities as at March 31, 2015 and Special Purpose Reformatted Statement of Profit and Loss and the Special Purpose Reformatted Cash Flow Statements for the period from May 19, 2014 to March 31, 2015 and the significant accounting policies and other explanatory information (together comprising the "Special Purpose Reformatted Financial Information").

The Special Purpose Reformatted Financial Information have been extracted by management from the Audited Financial Statements of the firm for the period from May 19, 2014 to March 31, 2015 which were approved by the partners of the firm and which have been audited by Deloitte Haskins & Sells LLP, Chartered Accountants. The auditors have issued an audit report dated May 18, 2015 for the financial period ended March 31, 2015 to the partners of the firm.

The Special Purpose Reformatted Financial Information as at and for the period ended March 31, 2015 has been regrouped/ reclassified wherever necessary to correspond with the presentation/ disclosure requirements of the financial year ended March 31, 2018 to comply with the requirements of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended to date (the "SEBI (ILDS) Regulations") issued by the Securities and Exchange Board of India (the "SEBI"), for use of the Intermediate Holding Company for inclusion in its Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed issue of NCDs by the Intermediate Holding Company.

The Special Purpose Reformatted Financial Information, do not reflect the effects of events that occurred subsequent to the date of approval of the audited financial statements for the period ended March 31, 2015 by the partners of the firm and also do not reflect the effects of change in accounting policies and restatement impact in respect of prior period items from one year to another, if any.

1B **Significant Accounting Policies:**

a) **Basis of preparation of financial statements**

The financial statements have been prepared to comply in all material respects with the Accounting Standards ('AS') issued by the Institute of Chartered Accountants of India ('ICAI') and accounting principles generally accepted in India. The financial statements have been prepared under the historical cost convention on an accrual basis of accounting.

b) **Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amount of income and expenses during the reporting period. The firm believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actuals and estimates are recognized in the period in which the results are known / materialized.

c) **Investments**

Current investments are carried at lower of cost and fair value. Non-current investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of non-current investments.

d) **Revenue Recognition - Arbitrage business**

The Firm enters into transactions in the Cash-Future Arbitrage.

The Fim has adopted the recognition and measurement principles enunciated in 'Accounting Standard 30' (AS-30), 'Financial Instruments: Recognition & Measurement' to the extent it is not inconsistent with the mandatory 'Accounting Standards' issued by the Institute of the Chartered Accountants of India, for the arbitrage transactions of the Firm, encompassing purchase of equity shares in the cash market and selling the same in the futures market;selling of equity shares borrowed under Securities Lending and Borrowing Segment and buying the same in futures market and purchase/sale of Nifty futures, sale/purchase of equity futures of Nifty scrips, sale/purchase of Nifty/equity stock options etc. These are considered to be part of a portfolio of identified financial instruments that are managed as part of that group and are acquired principally for the purpose of selling/repurchasing in the near term, and hence these are treated as financial assets 'held for arbitrage business'. Accordingly, if the net difference is a loss (being an unrealised loss), provision is made for the same in the Statement of Profit and Loss and if the net difference is a gain (being an unrealised gain), credit is not taken for the same on the principle of prudence.

e) **Stock in Trade**

Stock in Trade, other than held for arbitrage operations, is valued at cost or net realizable value, whichever is lower. Cost is determined on First in First out (FIFO) basis.

f) **Taxes on income**

Tax expense comprises both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period. Deferred tax represents effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of existence of carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that deferred tax assets can be realised against future taxable profits.

g) **Borrowing Costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

h) **Provisions and contingencies**

A provision is recognized when the Firm has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Firm has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

DELOITTE HASKINS & SELLS LLP ACCOUNTANTS

M/S ASTUTE INVESTMENTS MUMBAI

M/S ASTUTE INVESTMENTS
Notes to special purpose reformatted financial information

(Rupees in Crore)

		As at 31.03.2015
2	**Partner's Capital Accounts**	
	JM Financial Services Limited:	
	Contribution during the period	0.60
	JM Financial Commtrade Limited:	
	Contribution during the period	0.40
	Total	**1.00**
3	**Partner's Current Accounts**	
	JM Financial Services Limited:	
	Contribution during the period	418.36
	Profit for the period	1.43
	Payment during the period	418.95
	Closing balance	**0.84**
	JM Financial Commtrade Limited:	
	Contribution during the period	-
	Profit for the period	0.96
	Payment during the period	0.40
	Closing balance	**0.56**
	Total	**1.40**
4	**Trade Payables**	
	Dues to enterprises other than micro, small and medium enterprises	0.02
	Total	**0.02**
4.1	There areno dues payables to Micro, Small and Medium Enterprises and therefore disclosures under the Micro, Samll and Medium Enterprises Development Act, 2006 are not given.	
5	**Other current liabilities**	
	Statutory dues	0.38
	Total	**0.38**
6	**Long term loans and advances**	
	Advance tax (net of provisions)	0.24
	Total	**0.24**
7	**Cash and cash equivalents**	
	Balances with bank:	
	In Current Accounts	0.00
	In Deposit Accounts	2.56
	Total	**2.56**
	0.00 Denotes amount below Rupees 50,000/-	
8	**Other current assets**	
	Interest accrued on bank deposits	0.00
	Total	**0.00**
	0.00 Denotes amount below Rupees 50,000/-	

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

M/S. ASTUTE INVESTMENTS MUMBAI

M/S ASTUTE INVESTMENTS
Notes to special purpose reformatted financial information

(Rupees in Crore)

		For the period ended 31.03.2015
9	**Revenue from operations**	
	Income from arbitrage business (net of transaction costs, etc.)	16.63
	Loss from directional trading (net)	(0.03)
	Interest income on Margin Money	0.12
	Dividend on equity shares held for arbitrage business	1.36
	Total	**18.08**
10	**Other income**	
	Profit on Sale of Current Investment	0.10
	Interest on Bank Deposit	0.00
	Total	**0.10**
	0.00 Denotes amount below Rupees 50,000/-	
11	**Interest Expense**	
	Interest on Partners' Current Account Contribution	10.54
	Interest on Loan	3.76
	Total	**14.30**
12	**Other expenses**	
	Rent (on cancellable operating lease)	0.05
	Professional and consultancy charges	0.14
	Information technology expenses	0.05
	Printing and stationery	0.00
	Auditors remuneration	0.01
	Office Expenses	0.00
	Demat Charges	0.00
	Bank Charges	0.00
	Total	**0.26**
	0.00 Denotes amount below Rupees 50,000/-	

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

M/s. ASTUTE INVESTMENTS MUMBAI

M/S ASTUTE INVESTMENTS

Notes to special purpose reformatted financial information

13 Related Party Disclosure

A Enterprise where control exists

Ultimate Holding Company	JM Financial Limited
Intermediate Holding Company	JM Financial Products Limited
Holding Company	JM Financial Services Limited

B Details of transactions with related parties

(Rupees in Crore)

Name of the related party	Nature of relationship	Nature of Transaction	2014-15
JM Financial Limited	Ultimate Holding Company	Loan received	200.00
		Loan repaid	200.00
		Interest expense	3.76
JM Financial Products Limited	Intermediate Holding Company	Rent	0.05
JM Financial Services Limited	Partner/Holding Company	Capital Contribution	0.60
		Current account contributions received	419.36
		Payment on partner's current account	419.95
		Interest received on margin money	0.12
		Interest paid on current account contributions	10.54
		Transaction costs	0.06
		Demat Charges	0.00
		Professional and consultancy charges	0.12
		Information technology expenses	0.05
		Share of Profit for the period	1.43
		Closing balance - Current Account - Credit	(0.84)
		Closing balance - Trade Payable - Credit	(0.01)
JM Financial Commtrade Limit	Partner / Investing Party	Capital Contribution	0.40
		Share of Profit for the period	0.96
		Payment on partner's current account	0.40
		Professional and consultancy charges	0.03
		Closing balance - Current Account - Credit	(0.56)

0.00 Denotes amount below Rupees 50,000/-

C There are no provisions for doubtful debts/ advances or amounts written off or written back for debts due from / to related parties.

14 Segment reporting

The firm is engaged in arbitrage business in India. Consequently there is a single business and geographical segment.

15 The Firm was established on 1May 19, 2014 . Hence, these financial statements are prepared for the period from May 19, 2014 to March 31, 2015 and accordingly, there are no corresponding figures.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

For M/s. Astute Investments

Authorised Signatory
JM Financial Services Limited

Authorised Signatory
JM Financial Commtrade Limited

Mumbai, dated: January 28, 2019

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, the relevant provisions of Companies Act, 1956 and the rules prescribed thereunder, as applicable, on the date of this Draft Shelf Prospectus and the guidelines issued by the Government of India or the regulations, guidelines and the circulars issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, have been complied with. We further certify that the disclosures made in this Draft Shelf Prospectus are true and correct and in conformity with the Companies Act, 1956, as amended, and the relevant provisions of the Companies Act, 2013, as amended, to the extent applicable as on the date of this Draft Shelf Prospectus, Schedule I of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, as amended and the relevant provisions of the Companies Act, 1956, applicable as on the date of this Draft Shelf Prospectus, the Securities Contracts (Regulation) Act, 1956, as amended, or the Securities and Exchange Board of India Act, 1992, as amended, or rules, guidelines and circulars issued thereunder.

We further certify that all the disclosures and statements in this Draft Shelf Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

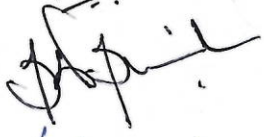
SIGNED BY ALL DIRECTORS:

Mr. V. P. Shetty : 
(Non- Executive Chairman)

Mr. E A Kshirsagar : 
(Independent Director)

Mr. M R Umarji : 
(Non- Executive Director)

Mr. Atul Mehra : 
(Non-Executive Director)

Mr. Subodh Shinkar : 
(Non-Executive Director)

Mr. Vishal Kampani : 
(Managing Director)

Date: February 1, 2019

Place: Mumbai

DECLARATION

I, the Director of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, the relevant provisions of Companies Act, 1956 and the rules prescribed thereunder, as applicable, on the date of this Draft Shelf Prospectus and the guidelines issued by the Government of India or the regulations, guidelines and the circulars issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, have been complied with. I further certify that the disclosures made in this Draft Shelf Prospectus are true and correct and in conformity with the Companies Act, 1956, as amended, and the relevant provisions of the Companies Act, 2013, as amended, to the extent applicable as on the date of this Draft Shelf Prospectus, Schedule I of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, as amended and the relevant provisions of the Companies Act, 1956, applicable as on the date of this Draft Shelf Prospectus, the Securities Contracts (Regulation) Act, 1956, as amended, or the Securities and Exchange Board of India Act, 1992, as amended, or rules, guidelines and circulars issued thereunder.

I further certify that all the disclosures and statements in this Draft Shelf Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

Dhirendra Singh

Mr. Dhirendra Singh :
(Independent Director)

Date: February 1, 2019

Place: New Delhi

DECLARATION

I, the Director of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, the relevant provisions of Companies Act, 1956 and the rules prescribed thereunder, as applicable, on the date of this Draft Shelf Prospectus and the guidelines issued by the Government of India or the regulations, guidelines and the circulars issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, have been complied with. I further certify that the disclosures made in this Draft Shelf Prospectus are true and correct and in conformity with the Companies Act, 1956, as amended, and the relevant provisions of the Companies Act, 2013, as amended, to the extent applicable as on the date of this Draft Shelf Prospectus, Schedule I of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, as amended and the relevant provisions of the Companies Act, 1956, applicable as on the date of this Draft Shelf Prospectus, the Securities Contracts (Regulation) Act, 1956, as amended, or the Securities and Exchange Board of India Act, 1992, as amended, or rules, guidelines and circulars issued thereunder.

I further certify that all the disclosures and statements in this Draft Shelf Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

Ms. Roshni Bakshi : 
(Independent Director)

Date: February 1, 2019

Place: Singapore

ICRA

ICRA Limited

CONFIDENTIAL

Ref: 2018-19/MUM/1546
Date: January 9, 2019

Mr. Milind Gandhi
Chief Financial Officer
JM Financial Products Limited
5B, 5th Floor, Cnergy,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai – 400 025

Dear Sir,

Re: ICRA Credit Rating for the Rs. 2,000.00 crore Non-Convertible Debenture (NCD) Programme[1] of JM Financial Products Limited

Please refer to the Rating Agreement dated November 29, 2018 for carrying out the rating of the aforesaid **NCD** Programme. The Rating Committee of ICRA, after due consideration, has assigned a **[ICRA]AA** (pronounced as ICRA double A) rating to the captioned NCD Programme. Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The Outlook on the long-term rating is **Stable**.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as **[ICRA]AA (stable)**. We would request if you can sign the acknowledgement and send it to us latest by January 16, 2019 as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on ***'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)'*** issued by the Securities and Exchange Board of India.

Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly *'No Default Statement (NDS)'* (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.

1/-

[1] Public issue of non-convertible debentures

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

Enclosed herewith is a copy of the rationale of the assigned rating for your reference. Please respond with your comments if any within the aforesaid timeline of January 16, 2019.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,
For ICRA Limited

KARTHIK SRINIVASAN
Senior Vice president
karthiks@icraindia.com

SHREEKIRAN RAO
Assistant Vice President
shreekiran.rao@icraindia.com

Encl: Rating Rationale

Acknowledgement

(To be signed and returned to ICRA Limited)

I, <*Name of the person*>, <*Designation*> on behalf of the <*Company/ Client name*> hereby accept and acknowledge the above assigned credit rating.

For <*Company/ Client Name*>

_____

Name:

Date:

Note: *Please return a copy of the above communication along with the acknowledgement to ICRA Limited at 4th Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025*

JM Financial Products Limited

January 14, 2019

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Proposed Non-convertible Debenture (NCD) Programme	-	2,000.00	[ICRA]AA (Stable); assigned
NCD Programme	2,500.00	2,500.00	[ICRA]AA (Stable); outstanding
Long term Market Linked Debentures (Principal Protected)	500.00	500.00	PP-MLD[ICRA]AA (Stable); outstanding
Long-term Bank Lines	1,500.00	1,500.00	[ICRA]AA (Stable); outstanding
Commercial Paper Programme	4,500.00	4,500.00	[ICRA]A1+; outstanding
Total	**9,000.00**	**11,000.00**	

*Instrument details are provided in Annexure-1

Rationale

The assigned rating is based on the consolidated view of the JM Financial Group (JM Group or the Group) on account of the close linkages among the Group entities, common promoters and senior management team, the shared brand name, and strong financial and operational synergies. ICRA believes the financial, managerial and operational support from the Group will continue to be available to all the key group companies. The rating factors in the group's demonstrated track record, strong franchise and established market position in the financial services industry. The ratings also take into account the healthy performance of the Group with consistent profitability indicators, comfortable capitalisation and measured leveraging strategy while ramping up its lending operations.

ICRA has taken note of the inherent risk profile of the key segments like real estate and promoter funding. The portfolio concentration remains high given the focus on wholesale lending, which contributed 83% to the total book as on September 30, 2018. There could be a sharp deterioration in the asset quality in case of any slippages. The Group had reported a deterioration in asset quality in FY2018 owing to a lumpy slippage in the real estate segment. On an aggregate basis, the gross non-performing assets (NPA) to advances ratio increased to 0.6%, as of March 2018, from 0.1%, as of March 2017, and was reported at 0.5% as of September 30, 2018, though it remains at a comfortable level. ICRA also draws comfort from the Group's proactive monitoring and resolution process, its conservative underwriting norms and adequate risk management systems. Given the rising prominence of the lending business, the Group's ability to manage its asset and liability profile would remain critical. ICRA takes comfort from the Group's adequate liquid assets and its ability to raise funds from the market when required, as demonstrated in the past. The ratings also factor in the Group's dependence on the cyclical capital markets. Going forward, the Group's ability to scale up its operations while maintaining profitability, capitalisation and asset quality would remain critical from a credit perspective.

Outlook: Stable

ICRA believes that the Group will continue to benefit from its diversified business profile, its demonstrated track record and established position in capital markets related businesses and its robust risk management systems.

The outlook may be revised to Positive if there is a substantial and sustained improvement in the Group's profitability, leading to an improvement in its financial risk profile. The outlook may be revised to Negative if there is significant deterioration in the asset quality of the credit book and the profitability indicators, thereby adversely affecting its financial risk profile.

Key rating drivers

Credit strengths

Strong brand name of the Group with diversified revenue stream – The Group is a diversified financial services entity with interests in investment banking, retail and institutional equity broking, wealth management, investment advisory services, portfolio management, asset management, commodity broking, securities-based lending, corporate lending, real estate lending, private equity, and asset reconstruction. The Group is one of the leading entities in capital markets and related businesses with a prime focus on investment banking and merchant banking operations and has been engaged in many marquee deals. At a consolidated basis, the Group's revenue stream remains well diversified with investment Banking, wealth management & securities business (IWS), mortgage lending, distressed credit and asset management businesses contributing 50.7%, 33.8%, 15.5% and 2.4% respectively, during H1 FY2019.

Ramp-up in lending business with an eye on diversification of portfolio – The Group forayed into the non-capital market lending business in 2008, and since then, this business has emerged as a key contributor to its revenues. The Group's lending portfolio comprises wholesale mortgage, retail mortgage, corporate lending and capital markets lending. Over the years, the Group has gradually scaled up and also diversified the lending business. It forayed into the small and medium enterprises (SME) segment in FY2017 and housing finance in FY2018. On an overall basis, the Group's loan book increased to Rs. 17,108 crore as of September 30, 2018 from Rs. 11,343 crore as of March 31, 2017 with wholesale mortgage, corporate lending, capital markets lending and retail mortgage accounting for 66%, 17%, 14% and 3%, respectively, of the loan book as of September 30, 2018.

Healthy profitability indicators – During FY2018, the Group's total income[1] increased by 38% to Rs. 3,131 crore from Rs. 2,267 crore in FY2017 driven by the expanding lending business. Supported by a stable expense profile and low credit costs, the profitability has remained healthy. JM Financial Limited (JMFL) reported a net profit of Rs. 631 crore and return on assets (RoA) of 4.6% in FY2018 (return on equity, RoE[2] of ~17%). In H1 FY2019 (adopted Ind-AS with effect from April 01, 2018), the Group's total income stood at Rs. 1,828 crore. Though the profitability moderated to an extent on account of a contraction in the net interest margin (NIM) in H1 FY2019, it remains healthy. The Group reported an RoA[3] of 3.6% in H1 FY2019 (net profit of Rs. 306 crore and RoE of ~13%[3]).

Adequate capitalisation at the Group level – The Group's capitalisation remains adequate with a tangible net worth of Rs. 4,923 crore (consolidated) and a capital adequacy ratio (CRAR) of 23.1% as on September 30, 2018 (tangible net worth of Rs. 4,349 crore and CRAR of 22.4% as of March 31, 2018). ICRA takes comfort from the relatively lower consolidated gearing compared to its peers and the Group's stated plans to maintain a leverage of under 4 times, at all points in time. Gearing remained stable at 2.6 times as on September 30, 2018 vis-à-vis March 31, 2018.

Comfortable asset quality of the funding portfolio – The Group's overall loan book is sufficiently collateralised and its asset quality has also remained stable over the last few years. During Q2 FY2018, due to a lumpy slippage in the real estate lending segment, the gross and net NPA increased to ~0.6% each as on September 30, 2017. As on September 30, 2018, gross and net NPA remained stable at 0.5% and 0.4%, respectively. In ICRA's view, the asset quality indicators remain at a comfortable level. ICRA draws comfort from the robust risk management systems and conservative underwriting norms, which have supported the asset quality. Going forward, the Group's ability to control its asset quality with a further scale up in the loan book would remain a key rating monitorable.

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[1] Net of sub-brokerage commission; Group financials refer to the consolidated financials of JMFL, which is the holding company of the JM Financial Group

[2] Return on average net worth

[3] Annualised

Credit challenges

Ability to maintain ALM remains critical given the increasing prominence of the credit business, particularly wholesale lending – ICRA has taken note of the elongation in the Group's debt maturity profile over the past three years, with the share of long-term debt in the total borrowings increasing to 66% as of March 31, 2018 from 12% as of March 2015. As on September 30, 2018, the share of long-term debt in the total borrowings stood at 59%. Given the rising prominence of the lending business, the Group's ability to manage its asset and liability profile would remain critical. ICRA takes comfort from the Group's adequate liquid assets and its ability to raise funds from the market when required, as demonstrated in the past.

High concentration and inherent credit risk in the wholesale segment – The Group's loan portfolio largely comprises wholesale lending, which includes real estate, promoter funding and corporate loans. The Group's exposure to risky segments, namely real estate lending and promoter funding, accounts for a sizeable portion of the lending book. ICRA also takes note of the inherent riskiness of the real estate lending and promoter funding segments. However, the Group's conservative credit underwriting norms, coupled with the comfortable asset quality indicators, provide comfort. The Group has recently forayed into retail mortgage lending to the SME segment and has started its housing finance business, which, on the achievement of a sizeable scale, should help diversify the loan mix.

Liquidity Position:

JM Financial Limited, on a consolidated basis, had total liquidity of around Rs. 3,296 crore, comprising Rs. 2,730 crore cash and liquid investment and Rs. 566 crore undrawn bank lines as on October 05, 2018. The company also has an expected cumulative inflow of Rs. 7,479 crore during H2 FY2019. As per the asset-liability statements, as on September 30, 2018, for the key lending entities in the Group, while there were cashflow mismatches in few of the near-term buckets, cumulative cashflow position over the near-term remained comfortable. The liquidity profile, thus, remains adequate in comparison to the near-term maturities (Rs. 7,379 crore of repayment obligations in H2 FY2019).

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies
Parent/Group Support	Not applicable - while assigning the ratings, ICRA has taken a consolidated view of the Group (JMFL - Consolidated) given the high operational and managerial linkages between the group companies and the shared brand name.
Consolidation / Standalone	ICRA has taken a consolidated view of the parent (JMFL) and its subsidiaries. As on March 31, 2018, JMFL had 10 subsidiaries and 7 stepdown subsidiaries. Details of the companies consolidated are provided in Annexure 2.

About the company

JM Financial Products Limited

JMFPL, registered with the Reserve Bank of India as a non-banking financial company, is the capital markets lending arm of the JM Financial Group. The company, which was engaged in public issue financing, lending against securities, margin funding, corporate lending, sponsor and promoter funding and real estate lending, will be focusing mainly on corporate lending going ahead as other NBFCs of the group – JM Financial Capital Limited and JM Financial Credit Solutions Limited – will be focusing on capital market lending and real estate lending respectively. JMFPL had a loan book of Rs. 7,826 crore as on September 30, 2018 (Rs. 6,582 crore as on March 31, 2018 and Rs. 5,499 crore as on March 31, 2017).

JMFPL reported a net profit of Rs. 213 crore on a total income base of Rs. 904 crore in FY2018 vis-a-vis a net profit of Rs. 197 crore on a total income base of Rs. 706 crore in FY2017. During H1 FY2019, JMFPL reported a net profit of Rs. 110 crore on a total income base of Rs. 490 crore as compared to a net profit of Rs. 99 crore on a total income base of Rs. 440 crore during H1 FY2018.

JM Financial Group

JM Financial Group has interests in investment banking, retail and institutional equity broking, wealth management, investment advisory services, portfolio management, asset management, commodity broking, securities-based lending, corporate lending, commercial real estate lending, private equity, and asset reconstruction. The Group's clients include corporates, domestic and foreign financial institutions, high net worth individuals (HNIs), and retail investors. While each of these businesses is independent in itself, the companies in the Group have integrated operations. JMFL is the holding company for the operating companies in the Group. The institutional equities division of JM Financial Institutional Securities Limited (JMFISL) got demerged into a subsidiary of JM Financial Services Limited (which in turn is a subsidiary of JMFL) by way of a scheme of arrangement. The residual business of JMFISL (which includes investment banking business) and JM Financial Investment Managers Limited (previously wholly-owned subsidiary of JMFL and engaged in the business of private equity fund management) got merged into JMFL by way of a scheme of amalgamation.

During FY2018, JMFL reported a consolidated net profit of Rs. 631 crore on a total income of Rs. 3,131 crore as compared with a consolidated net profit of Rs. 470 crore on a total income of Rs. 2,267 crore during FY2017. During H1 FY2019, the company reported a consolidated net profit of Rs. 306 crore on a total income of Rs. 1,828 crore.

Key financial indicators of JMFL (consolidated)

	FY2017 I-GAAP	FY2018 I-GAAP	H1 FY2019 Ind AS
Total Income[4]	2,267	3,131	1,774
Profit after tax (PAT[3])	470	631	306
Tangible Net worth	3,227	4,349	4,923
Minority Interest	1,109	1,371	2,022
Total Loan Book	11,343	14,772	17,108
Total Assets[5]	16,453	21,487	27,014
Return on average assets	4.7%	4.6%	3.6%
PAT/ Average Net worth (ROE)	15.6%	16.7%	13.1%
Gearing (times)	2.5	2.6	2.6

Source: JM Financial Limited and ICRA research; Amounts in Rs. crore; All ratios are as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

[3] *Including share in profit of associates and net of minority interest*
[4] *Net of sub-brokerage commission*
[5] *Net of goodwill on consolidation*

Rating history for last three years:

	Instrument	Current Rating (FY2019)			Chronology of Rating History for the Past 3 Years														
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2019			Date & Rating in FY2018								Date & Rating in FY2017			Date & Rating in FY2016
					Jan-19	Oct-18	Sep-18	Jul-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Jun-17	Mar-17	Jan-17	Nov-16	Sep-15
1	Proposed NCD Programme	Long Term	2,000.00	0.00	[ICRA]AA (Stable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	NCD Programme	Long Term	2,500.00	2,154.60	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
3	Long Term Market Linked Debentures (Principal Protected)	Long Term	500.00	233.90	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)
4	Term Loan	Long Term	913.34	913.34	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
5	Cash Credit	Long Term	200.00	NA	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
6	Unallocated	Long Term	386.66	NA	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
7	Commercial Paper Programme	Short Term	4,500.00	NA	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
8	Commercial Paper Programme (IPO Financing)	Short Term	-	-	-	[ICRA]A1+ withdrawn	[ICRA]A1+ assigned												

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE523H07346	NCD	5-Feb-16	0.00%	1-Feb-19	3.00	[ICRA]AA (stable)
INE523H07353	NCD	1-Mar-16	0.00%	3-Apr-19	4.40	[ICRA]AA (stable)
INE523H07361	NCD	22-Mar-16	0.00%	22-Apr-19	3.50	[ICRA]AA (stable)
INE523H07379	NCD	11-Apr-16	0.00%	22-Apr-19	5.40	[ICRA]AA (stable)
INE523H07387	NCD	29-Apr-16	0.00%	25-Apr-19	7.80	[ICRA]AA (stable)
INE523H07411	NCD	16-Jun-16	0.00%	14-May-19	6.20	[ICRA]AA (stable)
INE523H07429	NCD	16-Jun-16	0.00%	28-May-19	6.60	[ICRA]AA (stable)
INE523H07437	NCD	16-Jun-16	0.00%	18-Jun-19	5.00	[ICRA]AA (stable)
INE523H07445	NCD	21-Jul-16	0.00%	2-Jul-19	2.80	[ICRA]AA (stable)
INE523H07452	NCD	21-Jul-16	0.00%	23-Jul-19	6.30	[ICRA]AA (stable)
INE523H07478	NCD	6-Sep-16	0.00%	6-Aug-19	11.00	[ICRA]AA (stable)
INE523H07486	NCD	6-Sep-16	0.00%	27-Aug-19	5.70	[ICRA]AA (stable)
INE523H07569	NCD	12-Jan-17	0.00%	12-May-20	63.00	[ICRA]AA (stable)
INE523H07577	NCD	12-Jan-17	0.00%	4-May-20	1.80	[ICRA]AA (stable)
INE523H07585	NCD	23-Jan-17	0.00%	7-Apr-20	9.60	[ICRA]AA (stable)
INE523H07627	NCD	27-Feb-17	0.00%	1-Jul-20	27.50	[ICRA]AA (stable)
INE523H07718	NCD	22-Mar-17	0.00%	6-May-20	2.00	[ICRA]AA (stable)
INE523H07775	NCD	26-May-17	0.00%	12-May-20	20.00	[ICRA]AA (stable)
INE523H07833	NCD	20-Jul-17	0.00%	2-Sep-20	14.70	[ICRA]AA (stable)
INE523H07841	NCD	25-Jul-17	8.70%	25-Jul-19	200.00	[ICRA]AA (stable)
INE523H07858	NCD	28-Jul-17	8.90%	28-Jul-20	150.00	[ICRA]AA (stable)
INE523H07866	NCD	28-Sep-17	8.80%	28-Sep-20	120.00	[ICRA]AA (stable)
INE523H07874	NCD	15-Nov-17	8.81%	13-Nov-20	300.00	[ICRA]AA (stable)
INE523H07882	NCD	21-Nov-17	0.00%	30-Apr-21	173.90	[ICRA]AA (stable)
INE523H07916	NCD	8-Dec-17	0.00%	6-Apr-21	54.60	[ICRA]AA (stable)
INE523H07940	NCD	7-Feb-18	9.34%	23-Apr-21	209.80	[ICRA]AA (stable)
INE523H07973	NCD	28-Jun-18	9.25%	28-Jun-21	120.00	[ICRA]AA (stable)
INE523H07981	NCD	24-Aug-18	9.42%	25-Feb-20	75.00	[ICRA]AA (stable)
INE523H07999	NCD	7-Sep-18	364-day T-bill linked	30-Jun-22	150.00	[ICRA]AA (stable)
INE523H07AB3	NCD	14-Sep-18	0.00%	11-Aug-21	16.50	[ICRA]AA (stable)
INE523H07AC1	NCD	14-Sep-18	0.00%	13-Sep-21	40.00	[ICRA]AA (stable)
INE523H07AD9	NCD	14-Sep-18	0.00%	4-Apr-22	65.00	[ICRA]AA (stable)
INE523H07AE7	NCD	27-Sep-18	0.00%	29-Sep-22	45.00	[ICRA]AA (stable)
NA	NCD *	NA	NA	NA	3.90	[ICRA]AA (stable)
INE523H07395	MLD (PP)	9-Jun-16	-	11-Jun-19	5.00	PP-MLD[ICRA]AA (Stable)
INE523H07783	MLD (PP)	26-May-17	-	29-Sep-20	50.00	PP-MLD[ICRA]AA (Stable)
INE523H07908	MLD (PP)	28-Nov-17	-	29-Nov-19	55.00	PP-MLD[ICRA]AA (Stable)
INE523H07924	MLD (PP)	14-Dec-17	-	14-Dec-20	17.40	PP-MLD[ICRA]AA (Stable)
INE523H07932	MLD (PP)	29-Dec-17	-	29-Jan-19	7.50	PP-MLD[ICRA]AA (Stable)
INE523H07957	MLD (PP)	14-Feb-18	-	16-Dec-19	25.00	PP-MLD[ICRA]AA (Stable)
INE523H07965	MLD (PP)	22-Mar-18	-	16-Sep-19	29.00	PP-MLD[ICRA]AA (Stable)
INE523H07AA5	NCD	6-Sep-18	G-Sec linked	28-Feb-20	25.00	PP-MLD[ICRA]AA (Stable)
INE523H07AF4	NCD	3-Jan-19	10-yr Govt bond linked	3-Jul-20	10.00	PP-MLD[ICRA]AA (Stable)

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	MLD (PP) *	-	-	-	231.10	PP-MLD[ICRA]AA (Stable)
NA	Term Loan	2016-17	NA	2019-2021	986.66	[ICRA]AA (Stable)
NA	Cash Credit	NA	NA	NA	200.00	[ICRA]AA (Stable)
NA	Unallocated *	NA	NA	NA	313.34	[ICRA]AA (Stable)
NA	CP Programme	NA	NA	7-365 days	4,500.00	[ICRA]A1+

* Proposed

Source: JM Financial Products Limited

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership / Relationship with rated entity	Consolidation Approach
JM Financial Limited	Parent	ICRA has taken a consolidated view of parent and its subsidiaries
JM Financial Asset Management Limited	Fellow Subsidiary	
CR Retail Malls (India) Limited	Fellow Subsidiary	
JM Financial Products Limited	Fellow Subsidiary	
JM Financial Capital Limited	Fellow Subsidiary	
JM Financial Services Limited	Fellow Subsidiary	
JM Financial Credit Solutions Limited	Fellow Subsidiary	
Astute Investments	Partnership Firm of fellow subsidiaries	
JM Financial Asset Reconstruction Company Limited	Fellow Subsidiary	
JM Financial Home Loans Limited	Fellow Subsidiary	
JM Financial Institutional Securities Limited	Fellow Subsidiary	
Infinite India Investment Management Limited	Fellow Subsidiary	
JM Financial Trustee Company Private Limited	Associate of JMFL	
JM Financial Overseas Holding Private Limited	Fellow Subsidiary	
JM Financial Securities Inc.	Fellow Subsidiary	
JM Financial Singapore Pte Ltd	Fellow Subsidiary	
JM Financial Commtrade Limited	Fellow Subsidiary	
J.M. Financial & Investment Consultancy Private Limited	Related Party *	

** a company owned by the promoters of JMFL*

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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JMFPPL/214130/NCD/041600308
January 3, 2019

Mr. Milind Gandhi
Chief Financial Officer
JM Financial Products Limited
1st Floor, B Wing Suashish IT Park,
Plot No 68E Off Dattapada Road, Opp. Tata Steel
Borivali East
Mumbai - 400066
Tel: 022 61667000

Dear Mr. Milind Gandhi,

Re: CRISIL Rating for the Rs.2000 Crore Non-Convertible Debentures* of JM Financial Products Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

CRISIL has, after due consideration, assigned a **"CRISIL AA/Stable"** (pronounced "CRISIL double A rating with stable outlook") rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rama Patel
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

**for public issue*

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

CRISIL Limited
Corporate Identity Number: U67190MH1987PLC044369

Details of the Rs.2000 Crore Non-Convertible Debentures of JM Financial Products Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

CRISIL Limited
Corporate Identity Number: U67190MH1987PLC042063

Rating Rationale

January 03, 2019 | Mumbai

JM Financial Products Limited

'CRISIL AA/Stable' assigned to NCD

Rating Action

Total Bank Loan Facilities Rated	**Rs.500 Crore**
Long Term Rating	**CRISIL AA/Stable (Reaffirmed)**

Rs.2000 Crore Non Convertible Debentures	**CRISIL AA/Stable (Assigned)**
Non-Convertible Debentures Aggregating Rs.1570 Crore	**CRISIL AA/Stable (Reaffirmed)**
Rs.4500 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**

1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has assigned its **'CRISIL AA/Stable'** ratings on Rs 2,000 crore Non-Convertible Debenture issue of JM Financial Products Limited (JM Financial Products; part of the JM Financial group) and has reaffirmed its ratings on the company's other debt instruments and bank facilities at 'CRISIL AA/Stable/CRISIL A1+'.

The rating primarily reflects the group's continued ability to maintain healthy capitalisation and established market position in investment banking, wealth management, and securities-based lending businesses. The rating also factors in the benefits expected to accrue from scale up in the wholesale lending business, and the group's strong risk management practices. These rating strengths are partially offset by the inherent vulnerability of the asset quality in the group's wholesale lending business.

Analytical Approach

For arriving at its ratings, CRISIL has combined the business and financial risk profiles of all companies within the JM Financial group, including the NBFC, JM Financial Credit Solutions Ltd where the JM Financial has 47% stake. The group also includes JM Financial Asset Reconstruction Company Ltd (JMARC; rated 'CRISIL AA-/Stable/CRISIL A1+') where JM Financial Group has 57.07% stake and is now a subsidiary of JM Financial Limited. This is because of the significant operational and financial integration among the group companies, and their common senior management team and shared brand. All the companies are collectively referred to as the JM Financial group.

Please refer Annexure - Details of Consolidation, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths

* **Healthy capitalisation**

The group is sufficiently capitalised to support growth plans over the medium term, especially in the wholesale lending business that will provide cushion against asset-side risks. Networth (including minority interest and excluding goodwill) was sizeable at Rs 6945 crore as on September 30, 2018 (Rs 5719 crore as on March 31, 2018). Moreover, gearing (including debt and equity of JMARC) remained comfortable at 2.6 times as on September 30, 2018. Despite increasing scale of operations in the lending business, adjusted gearing will not exceed 3.5 times on a steady state basis over the medium term.

* **Established market position in the capital markets-related businesses**

The group will benefit significantly from buoyancy in the capital markets over the medium term, given its strong market position across business segments. It has developed a strong franchise in key operating segments such as investment banking, wealth management, and securities-based lending. This is aided by the track record and reputation of its experienced management and healthy client relationship. Furthermore, management has been conservative in its risk philosophy. Total revenue and net profit (including minority interest and profit from associate) increased year-on-year by 21.9% and 8.2% (Ind AS factored), respectively for the half year ended fiscal 2019. The Return on networth1 was at 13.1% (annualized) for the half year ended September 30, 2018 compared to 18.0% for fiscal 2018. However, given the tightening of the funding environment, the business growth is expected to be moderate in near term though expected to pick up over medium term.

* **Diversification benefits to accrue from scale up in the wholesale lending business**

The JM Financial group plans to significantly increase scale in the wholesale lending business through JM Financial Credit Solutions and JM Financial Products Ltd. Gross loan book was Rs 17,108 crore, September 30, 2018 (Rs 14,772 crore as on March 31, 2018). Over the past five fiscals, the wholesale loan book grew more than eight fold to Rs 14,188 crore as on September 30, 2018 and accounted for about 83% of the portfolio. With strong capital position of the group, lending business is likely to grow at a healthy pace over the medium-term.

* **Strong risk management practices**

Credit risk profile is supported by strong risk management practices to deal with market, credit, liquidity, operational, and counterparty risks, which mitigate the risk of potential losses in the broking and lending businesses. Track record of low delinquencies and negligible write-offs in the broking and securities-based lending businesses, despite cyclicality in equity markets, underscores the adequacy of the group's risk management systems.

The group has also put in place strong practices to manage inherent risks in the wholesale lending business while growing the lending book. It continues to follow prudent lending policies and has put in place additional controls in recent quarters to manage increased stress in the real estate sector. It focuses on providing funding to select builders/corporates with robust performance track record and with which it has had prior business association. A team of experienced professionals undertakes detailed due diligence, including stress testing, to assess the credit quality of borrowers. The portfolio is regularly monitored, including regular and detailed discussion with borrowers, and end-use monitoring of funds. All the loans are adequately covered by collateral (of 1.5-2.0 times) at all points in time. The group has demonstrated ability to resolve delinquencies in the portfolio at an early stage through identification and quick exit. This is reflected in its relatively low gross non-performing assets of 0.5% as on September 30, 2018 (0.6% on March 31, 2018).

Weakness

* **Asset quality in the wholesale lending business remains inherently vulnerable**

Asset quality of the wholesale lending business remains susceptible to the performance of the real estate sector and financial flexibility of borrowers. This business also entails high risks given the underlying borrower profile and large ticket size of loans. While the group has adequate origination, underwriting, and credit monitoring systems, ability to maintain healthy asset quality in this business will remain a key rating monitorable.

Outlook: Stable

CRISIL believes the JM financial group will maintain its healthy financial risk profile over the medium term, supported by strong capitalisation, conservative gearing, and high profitability. The group will also benefit from scale-up in the wholesale lending business supported by efficient risk management practices; and from its established market position in capital market-related businesses. The outlook may be revised to 'Positive' if the group significantly increases scale of operations in the lending business while substantially de-risking the business, and maintains comfortable asset quality and strong financial risk profile. The outlook may be revised to 'Negative' if asset-quality challenges in the lending business adversely affect profitability.

Liquidity position

JM Financial Group has total repayment obligations of Rs 7,379 crore (as per ALM on September 30, 2018) over the six months ending March 31, 2019 against which it has cushion of Rs 3296 crore (cash & liquid investment Rs 2,091 crore, unutilized Bank lines of Rs 566 crore and liquidable investment of Rs 639 crore). The group companies (consolidated) had negative mismatch in some of the buckets in upto one year bucket in their ALM as on (September 30, 2018) though on cumulative basis inflows are matched with outflows. Meanwhile, two third of the group's total CP borrowings of Rs 5,040 crores (as on October 25, 2018) are deployed in the short term assets (capital market lending, esop financing, trading & broking etc) and can be easily liquidated if required. The company's steady inflows from business and healthy asset quality (GNPAs of 0.5% as on September 2018) supports the liquidity. The group companies continues to access the debt markets in the third quarter of fiscal 2019 to raise funds via commercial paper, non-convertible debentures and bank loans etc. thereby further cushioning the group's liquidity position.

About the Group

The JM Financial group has interests in investment banking, retail and institutional equity broking, wealth management, investment advisory services, portfolio management, asset management, commodity broking, securities-based lending, corporate lending, private equity, and asset reconstruction. Clients include corporates, domestic and foreign financial institutions, high-networth individuals, and retail investors. While each of these businesses is independent, companies in the group have integrated operations. JM Financial Ltd is the group's holding company.

For fiscal 2018, the group reported a profit after tax (including minority interest and profit from associate) of Rs 871.0 crore on total income (net of interest expenses) of Rs 2,090.0 crore, against a profit after tax (including minority interest and profit from associate) of Rs 648.9 crore on total income (net of interest expenses) of Rs 1,577.3 crore for fiscal 2017.

Key Financial Indicators of JM Financial group

As for the half year ended September 30, 2018	Unit	2018*	2017
Total assets	Rs. Cr.	27,014	20,185
Total income	Rs. Cr.	1,829	1,500
Profit after tax	Rs. Cr.	306	278
Gross NPA	%	0.5	0.6
Adjusted gearing	Times	2.4	2.9

**post IndAS impact*

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Cr)	Rating Outstanding with Outlook
INE523H07346	Non-Convertible Debenture issue	5-Feb-16	Zero Coupon	1-Feb-19	3.00	CRISIL AA/Stable
INE523H07353	Non-Convertible Debenture issue	1-Mar-16	Zero Coupon	3-Apr-19	4.40	CRISIL AA/Stable
INE523H07361	Non-Convertible Debenture issue	22-Mar-16	Zero Coupon	22-Apr-19	3.50	CRISIL AA/Stable
INE523H07379	Non-Convertible Debenture issue	11-Apr-16	Zero Coupon	22-Apr-19	5.40	CRISIL AA/Stable
INE523H07387	Non-Convertible Debenture issue	29-Apr-16	Zero Coupon	25-Apr-19	7.80	CRISIL AA/Stable
INE523H07395	Non-Convertible Debenture issue	9-Jun-16	Zero Coupon	11-Jun-19	5.00	CRISIL AA/Stable
INE523H07403	Non-Convertible Debenture issue^	13-Jun-16	Zero Coupon	13-Dec-17	10.00	CRISIL AA/Stable
INE523H07411	Non-Convertible Debenture issue	16-Jun-16	Zero Coupon	14-May-19	6.20	CRISIL AA/Stable
INE523H07429	Non-Convertible Debenture issue	16-Jun-16	Zero Coupon	28-May-19	6.60	CRISIL AA/Stable
INE523H07437	Non-Convertible Debenture issue	16-Jun-16	Zero Coupon	18-Jun-19	5.00	CRISIL AA/Stable
INE523H07445	Non-Convertible Debenture issue	21-Jul-16	Zero Coupon	2-Jul-19	2.80	CRISIL AA/Stable
INE523H07452	Non-Convertible Debenture issue	21-Jul-16	Zero Coupon	23-Jul-19	6.30	CRISIL AA/Stable
INE523H07460	Non-Convertible Debenture issue^	16-Aug-16	8.7000%	15-Nov-17	25.00	CRISIL AA/Stable
INE523H07478	Non-Convertible Debenture issue	6-Sep-16	Zero Coupon	6-Aug-19	11.00	CRISIL AA/Stable
INE523H07486	Non-Convertible Debenture issue	6-Sep-16	Zero Coupon	27-Aug-19	5.70	CRISIL AA/Stable
INE523H07494	Non-Convertible Debenture issue^	22-Sep-16	8.7000%	22-Dec-17	30.00	CRISIL AA/Stable
INE523H07502	Non-Convertible Debenture issue^	30-Sep-16	8.7500%	30-Nov-17	12.50	CRISIL AA/Stable
INE523H07510	Non-Convertible Debenture issue^	21-Oct-16	8.3500%	22-Jan-18	25.00	CRISIL AA/Stable
INE523H07528	Non-Convertible Debenture issue^	23-Nov-16	8.8145%	1-Jun-18	100.00	CRISIL AA/Stable
INE523H07536	Non-Convertible Debenture issue^	28-Dec-16	Zero Coupon	19-Mar-18	50.00	CRISIL AA/Stable
INE523H07544	Non-Convertible Debenture issue^	28-Dec-16	Zero Coupon	18-Jun-18	50.00	CRISIL AA/Stable
INE523H07551	Non-Convertible Debenture issue^	5-Jan-17	8.3500%	6-Apr-18	25.00	CRISIL AA/Stable
INE523H07692	Non-Convertible Debenture issue^	09-Mar-17	8.8803%	10-Aug-18	15.00	CRISIL AA/Stable
INE523H07676	Non-Convertible Debenture issue^	09-Mar-17	Zero Coupon	31-Aug-18	100.00	CRISIL AA/Stable
INE523H07643	Non-Convertible Debenture issue^	09-Mar-17	8.8878%	7-Sep-18	25.00	CRISIL AA/Stable
INE523H07635	Non-Convertible Debenture issue^	09-Mar-17	8.8878%	7-Sep-18	40.00	CRISIL AA/Stable
INE523H07684	Non-Convertible Debenture issue^	09-Mar-17	Zero Coupon	7-Sep-18	50.00	CRISIL AA/Stable
INE523H07700	Non-Convertible Debenture issue^	22-Mar-17	Zero Coupon	7-Sep-18	25.00	CRISIL AA/Stable
INE523H07650	Non-Convertible Debenture issue^	09-Mar-17	8.4000%	11-Sep-18	75.00	CRISIL AA/Stable
	Non-Convertible		Zero			

INE523H07676	Debenture issue^	09-Mar-17	Coupon	20-Sep-18	50.00	CRISIL AA/Stable
INE523H07619	Non-Convertible Debenture issue^	27-Feb-17	8.8920%	24-Sep-18	30.00	CRISIL AA/Stable
INE523H07734	Non-Convertible Debenture issue^	26-May-17	Zero Coupon	23-Nov-18	20.00	CRISIL AA/Stable
INE523H07742	Non-Convertible Debenture issue^	26-May-17	8.6897%	23-Nov-18	10.00	CRISIL AA/Stable
INE523H07759	Non-Convertible Debenture issue^	26-May-17	8.6897%	23-Nov-18	20.00	CRISIL AA/Stable
INE523H07767	Non-Convertible Debenture issue^	26-May-17	Zero Coupon	23-Nov-18	50.00	CRISIL AA/Stable
INE523H07585	Non-Convertible Debenture issue	23-Jan-17	Zero Coupon	7-Apr-20	4.60	CRISIL AA/Stable
INE523H07577	Non-Convertible Debenture issue	12-Jan-17	Zero Coupon	4-May-20	1.80	CRISIL AA/Stable
INE523H07718	Non-Convertible Debenture issue	22-Mar-17	Zero Coupon	6-May-20	2.00	CRISIL AA/Stable
INE523H07569	Non-Convertible Debenture issue	12-Jan-17	Zero Coupon	12-May-20	63.00	CRISIL AA/Stable
INE523H07775	Non-Convertible Debenture issue	26-May-17	Zero Coupon	12-May-20	20.00	CRISIL AA/Stable
INE523H07627	Non-Convertible Debenture issue	27-Feb-17	9.0500%	01-Jul-20	5.70	CRISIL AA/Stable
NA	Non-Convertible Debenture issue*	NA	NA	NA	2562.70	CRISIL AA/Stable
NA	Commercial paper programme	NA	NA	7-365 days	4500	CRISIL A1+
NA	Long-Term Bank Facility	NA	NA	NA	200	CRISIL AA/Stable
NA	Cash Credit	NA	NA	NA	200	CRISIL AA/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	100	CRISIL AA/Stable

**yet to be issued*
^CRISIL is awaiting independent confirmation of redemption before withdrawing ratings on these facility

Annexure - Details of consolidation

Entity consolidated	Extent of consolidation	Rational for consolidation
JM Financial Products Limited	Full	Subsidiary
JM Financial Credit Solutions Limited	Full	Associate
JM Financial Services Limited	Full	Subsidiary
JM Financial Institutional Securities Limited	Full	Subsidiary
JM Financial Capital Limited	Full	Subsidiary
JM Financial Commtrade Limited	Full	Subsidiary
JM Financial Overseas Holdings Private Limited	Full	Subsidiary
JM Financial Singapore Pte Limited	Full	Subsidiary
JM Financial Securities, Inc	Full	Subsidiary
JM Financial Home Loans Limited	Full	Subsidiary
Infinite India Investment Management Limited	Full	Subsidiary
JM Financial Asset Management Limited	Full	Subsidiary
JM Financial Properties and Holdings	Full	Subsidiary
CR Retail Malls (India) Limited	Full	Subsidiary
JM Financial Trustee Company Private	Full	Subsidiary
Astute Investments	Full	Subsidiary

Annexure - Rating History for last 3 Years

	Current			2019 (History)		2018		2017		2016		Start of 2016
Instrument	**Type**	**Outstanding Amount**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Rating**
Commercial Paper	ST	4500.00	CRISIL A1+			29-03-18	CRISIL A1+	15-09-17	CRISIL A1+	09-12-16	CRISIL A1+	CRISIL A1+

								08-09-17	CRISIL A1+	25-11-16	CRISIL A1+	
								01-08-17	CRISIL A1+	26-10-16	CRISIL A1+	
								17-07-17	CRISIL A1+	07-10-16	CRISIL A1+	
								30-06-17	CRISIL A1+	16-09-16	CRISIL A1+	
								19-06-17	CRISIL A1+	31-08-16	CRISIL A1+	
								19-05-17	CRISIL A1+	23-08-16	CRISIL A1+	
								09-05-17	CRISIL A1+	03-08-16	CRISIL A1+	
								26-04-17	CRISIL A1+	13-07-16	CRISIL A1+	
								13-04-17	CRISIL A1+	30-06-16	CRISIL A1+	
								07-03-17	CRISIL A1+	21-06-16	CRISIL A1+	
								03-03-17	CRISIL A1+	28-04-16	CRISIL A1+	
								24-01-17	CRISIL A1+	06-04-16	CRISIL A1+	
										03-02-16	CRISIL A1+	
Commercial Paper Issue	ST		--		--	29-03-18	Withdrawal	15-09-17	CRISIL A1+	09-12-16	CRISIL A1+	CRISIL A1+
								08-09-17	CRISIL A1+	25-11-16	CRISIL A1+	
								01-08-17	CRISIL A1+	26-10-16	CRISIL A1+	
								17-07-17	CRISIL A1+	07-10-16	CRISIL A1+	
								30-06-17	CRISIL A1+	16-09-16	CRISIL A1+	
								19-06-17	CRISIL A1+	31-08-16	CRISIL A1+	
								19-05-17	CRISIL A1+	23-08-16	CRISIL A1+	
								09-05-17	CRISIL A1+	03-08-16	CRISIL A1+	
								26-04-17	CRISIL A1+	13-07-16	CRISIL A1+	
								13-04-17	CRISIL A1+	30-06-16	CRISIL A1+	
								07-03-17	CRISIL A1+	21-06-16	CRISIL A1+	
								03-03-17	Withdrawal	28-04-16	CRISIL A1+	
								24-01-17	CRISIL A1+	06-04-16	CRISIL A1+	
										03-02-16	CRISIL A1+	
Non Convertible Debentures	LT	1007.30 03-01-19	CRISIL AA/Stable			29-03-18	CRISIL AA/Stable	15-09-17	CRISIL AA/Stable	09-12-16	CRISIL AA/Stable	CRISIL AA/Stable
								08-09-17	CRISIL AA/Stable	25-11-16	CRISIL AA/Stable	
								01-08-17	CRISIL AA/Stable	26-10-16	CRISIL AA/Stable	

								17-07-17	CRISIL AA/Stable	07-10-16	CRISIL AA/Stable	
								30-06-17	CRISIL AA/Stable	16-09-16	CRISIL AA/Stable	
								19-06-17	CRISIL AA/Stable	31-08-16	CRISIL AA/Stable	
								19-05-17	CRISIL AA/Stable	23-08-16	CRISIL AA/Stable	
								09-05-17	CRISIL AA/Stable	03-08-16	CRISIL AA/Stable	
								26-04-17	CRISIL AA/Stable	13-07-16	CRISIL AA/Stable	
								13-04-17	CRISIL AA/Stable	30-06-16	CRISIL AA/Stable	
								07-03-17	CRISIL AA/Stable	21-06-16	CRISIL AA/Stable	
								03-03-17	CRISIL AA/Stable	28-04-16	CRISIL AA/Stable	
								24-01-17	CRISIL AA/Stable	06-04-16	CRISIL AA/Stable	
										03-02-16	CRISIL AA/Stable	
Fund-based Bank Facilities	LT/ST	500.00	CRISIL AA/Stable			29-03-18	CRISIL AA/Stable	15-09-17	CRISIL AA/Stable	09-12-16	CRISIL AA/Stable	CRISIL AA/Stable
								08-09-17	CRISIL AA/Stable	25-11-16	CRISIL AA/Stable	
								01-08-17	CRISIL AA/Stable	26-10-16	CRISIL AA/Stable	
								17-07-17	CRISIL AA/Stable	07-10-16	CRISIL AA/Stable	
								30-06-17	CRISIL AA/Stable	16-09-16	CRISIL AA/Stable	
								19-06-17	CRISIL AA/Stable	31-08-16	CRISIL AA/Stable	
								19-05-17	CRISIL AA/Stable	23-08-16	CRISIL AA/Stable	
								09-05-17	CRISIL AA/Stable	03-08-16	CRISIL AA/Stable	
								26-04-17	CRISIL AA/Stable	13-07-16	CRISIL AA/Stable	
								13-04-17	CRISIL AA/Stable	30-06-16	CRISIL AA/Stable	
								07-03-17	CRISIL AA/Stable	21-06-16	CRISIL AA/Stable	
									CRISIL		CRISIL	

								03-03-17	AA/Stable	28-04-16	AA/Stable	
								24-01-17	CRISIL AA/Stable	06-04-16	CRISIL AA/Stable	
										03-02-16	CRISIL AA/Stable	

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	**Amount (Rs.Crore)**	**Rating**	**Facility**	**Amount (Rs.Crore)**	**Rating**
Cash Credit	**200**	**CRISIL AA/Stable**	**Cash Credit**	**200**	**CRISIL AA/Stable**
Long Term Bank Facility	**200**	**CRISIL AA/Stable**	**Long Term Bank Facility**	**200**	**CRISIL AA/Stable**
Proposed Long Term Bank Loan Facility	**100**	**CRISIL AA/Stable**	**Proposed Long Term Bank Loan Facility**	**100**	**CRISIL AA/Stable**
Total	**500**	**--**	**Total**	**500**	**--**

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
CRISILs Criteria for Consolidation
CRISILs Criteria for rating short term debt

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CONSENT OF THE DEBENTURE TRUSTEE

[APPENDED OVERLEAF]

IDBI Trusteeship Services Ltd
CIN : U65991MH2001GOI131154

Ref No.:6893/ITSL/OPR/CL/18-19/DEB/1434
Date: October 23, 2018

JM Financial Products Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi,
Mumbai 400 025

Dear Sirs,

Re: **Proposed Public Issue by JM Financial Products Limited ("Company") of Secured, Rated, Listed, Redeemable, Non Convertible Debentures of face value Rs. 1,000 each and Unsecured, Rated, Listed, Redeemable, Non Convertible Debentures of face value Rs. 1,000 each aggregating upto Rs. 20,000 million ("NCDs") through one or more tranches ("Issue")**

We, IDBI Trusteeship Services Limited, hereby give our consent to our name being included as Debenture Trustee to the Issue in accordance with Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 in the Draft Shelf Prospectus to be filed with the stock exchange(s) where the NCDs are proposed to be listed ("**Stock Exchanges**") for the purposes of receiving public comments and the Shelf Prospectus and the Tranche Prospectus(es) to be filed with the Registrar of Companies, Maharashtra at Mumbai ("**RoC**") and the Stock Exchange(s) and forwarded to the Securities and Exchange Board of India ("**SEBI**") for its records in respect of the Issue and all related advertisements, and subsequent periodical communications sent to the holders of the NCDs pursuant to the Issue.

We hereby authorise you to deliver this letter of consent to the Stock Exchange(s), the RoC and/or such other regulatory authority, as may be required by law.

The following details with respect to us may be disclosed.

Name:	IDBI Trusteeship Services Limited
Address.	IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001
Tel.	(91) (22) 40807000
Fax:	66311776/40807080
Email:	itsl@idbitrustee.com
Website:	www.idbitrustee com
Contact Person:	Mr. Swapnali Hirlekar
Investor Grievance e-mail:	response@idbitrustee.com
SEBI Registration No:	IND000000460

We confirm that we have not been prohibited from SEBI to act as an intermediary in capital market issues. We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We further confirm that no enquiry/investigation is being conducted by SEBI on us. Copy of our SEBI registration certificate and declaration regarding our registration with SEBI in the required format is attached as Annexure A.

We shall immediately intimate the Lead Managers and Issuer of any changes, additions or deletions in respect of the aforestated details till the date when the NCDs of the Issuer offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and commencement of trading of the NCDs on the Stock Exchanges.

IDBI Trusteeship Services Ltd.

We also agree to keep strictly confidential, until such time the proposed Issue is publicly announced by the Company in the form of a press release, (i) the nature and scope of the Issue; and (ii) our knowledge of the Issue of the Company.

Yours faithfully,

For IDBI Trusteeship Services Limited



Authorised Signatory
Name: Sneha Paste
Designation: Asst. Manager

IDBI Trusteeship Services Ltd
CIN : U65991MH2001GOI131154

Annexure A

October 23, 2018

JM Financial Products Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi,
Mumbai 400 025

Dear Sir/ Madam,

Sub: Proposed public issue ("Issue") of Secured, Rated, Listed, Redeemable, Non-convertible debentures ("NCDs") aggregating to Rs. 2000 Crores by JM Financial Products Limited ("Company")

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee are true and correct:

S. No.	Particulars	Details
1.	Registration Number	IND000000460
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	February 14, 2017
3.	Date of expiry of registration	*The Certificate of registration shall be valid unless it is suspended or cancelled by the Board*
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	*NIL*
5.	Details of any pending inquiry/ investigation being conducted by SEBI	*NIL*
6.	Details of any penalty imposed by SEBI	*NIL*

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Non-convertible Debentures on the Stock Exchanges.

Sincerely,

For IDBI Trusteeship Services Limited

ITSL

Authorised Signatory
Name: Sneha Paste
Designation: Asst. Manager

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000263

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

IDBI TRUSTEESHIP SERVICES LIMITED
ASIAN BUILDING, GROUND FLOOR
17, R. KAMANI MARG
BALLARD ESTATE
MUMBAI-400 001

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000460**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to **This certificate of registration shall be valid unless it is suspended or cancelled by the board**

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **MUMBAI**

तारीख Date : **FEBRUARY14, 2017**

M J Sonparote
MEDHASONPAROTE
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

ANNEXURE A

JM FINANCIAL

Annexure 1

Statement of Capitalisation as at December 31, 2018

Rs. in crores

Sr. No.	Particulars	Pre – issue as at December 31, 2018 (A)	Proposed proceeds from the Issue (B)	Post Issue C = A + B
I.	**Borrowings** (refer note 1& 2 below)			
	Debt Securities	4,936.7	2,000	6,936.7
	Borrowings (Other than Debt Securities)	1,209.7	Nil	1,209.7
	Total borrowings (A)	6,146.4	2,000	8,146.4
II.	**Shareholders' fund**			
	Share capital	544.5	-	544.5
	Securities Premium Reserve	38.2	-	38.2
	General Reserve	276.3	-	276.3
	Statutory Reserve	0.0	-	0.0
	Surplus in statement of profit and loss	706.3	-	706.3
	Total Shareholders Fund (B)	1,565.3	-	1,565.3
	Total debt / equity (A/B)(refer note 3)	3.9	-	5.2

Notes:

1. Borrowing through non convertible debentures and commercial paper shown at face value without considering premium/unamortised discount on issue.
2. Borrowings is excluding effective interest rate impact as per Ind AS.
3. The debt equity ratio post the issue is indicative on account of the assumed inflow of Rs.2,000/- Crores from the proposed issue in the secured debt category as on December 31, 2018. The actual debt equity ratio post the issue would depend on the actual position of debt and equity on the deemed date of allotment.

For and on behalf of the board of directors of JM Financial Products Limited

N Shah

Nishit Shah
Authorised Signatory
Place: Mumbai
Date: January 31, 2019

KHIMJI KUNVERJI & CO CHARTERED ACCOUNTANTS MUMBAI

Stamped & initiated for identification Purpose

JM Financial Products Limited
Corporate Identity Number : U74140MH1984PLC033397
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ANNEXURE B

JM FINANCIAL

Statement of Accounting Ratios — Annexure-I

Sr No.	Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017	For the year Ended March 31, 2016	For the year Ended March 31, 2015	For the year Ended March 31, 2014
	Number of equity shares at the beginning of the year	544,500,000	544,500,000	544,500,000	544,500,000	544,500,000
	Number of equity shares at the end of the year	544,500,000	544,500,000	544,500,000	544,500,000	544,500,000
	Weighted average number of equity shares outstanding during the year (For calulating basic and dilutive EPS)	544,500,000	544,500,000	544,500,000	544,500,000	544,500,000
	Net profit after tax available for equity shares (Rs. in crore)	212.93	197.23	167.43	188.29	134.80
	Shareholders' fund at the end of the year (Rs in crore) *#	1,496.26	1,342.79	1,205.53	1,098.06	975.32
	Average shareholders' fund during the year [(Opening+Closing)/2] (Rs in crore)	1,419.52	1,274.16	1,151.79	1,036.69	917.47
	Earning Per Share (EPS) (Face value of Rs.10/- each):					
A	Basic Earning Per Share (EPS) Rs.	3.91	3.62	3.08	3.46	2.48
B	Dilutive Earning Per Share (EPS) Rs.	3.91	3.62	3.08	3.46	2.48
	Return on Shareholders' Fund (%)					
C	Considering Shareholders' fund at the end of the year	14.2%	14.7%	13.9%	17.1%	13.8%
D	Considering Average Shareholders' fund during the year	15.0%	15.5%	14.5%	18.2%	14.7%
E	Net Asset Value Per Share (Rs)	27.48	24.66	22.14	20.17	17.91
	Borrowing (Rs in crores)	5,533.9	4,509.0	2,969.6	3,303.2	2,946.7
F	Debt Equity Ratio	3.7	3.4	2.5	3.0	3.0

Notes

A	Basic Earning Per Share (EPS) Rs	Net Profit attributable to equity shareholder / Weighted average number of equity shares outstanding during the year
B	Dilutive Earning Per Share (EPS) Rs.	Net Profit attributable to equity shareholder / Weighted average number of diluted equity shares outstanding during the year
C	Return on Shareholders' Fund Considering Shareholders' fund at the end of the year %	Net Profit after Tax / Shareholders' Fund at the end of the year
D	Return on Shareholders' Fund Considering Average Shareholders' fund during the year %	Net Profit after Tax / Average Shareholders' Fund during the year
E	Net Asset Value Per Share	Shareholders' Fund at the end of the year / Number of equity shares outstanding during the year
F	Debt Equity	Borrowings / Shareholders' Fund

* Shareholders' Fund = Share Capital + Reserves and Surplus

\# The above shareholders' fund calculation is based on the audited Financial Statement in compliance with the Section 2(57) of the Companies Act, 2013

Certified to be true and correct
For and on behalf of the Board of Directors of JM Financial Products Limited

Director
Mumbai, dated: January 30, 2019

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

ANNEXURE C

JM FINANCIAL

Statement of Tax Shelter

Annexure A

Rupees in Crore

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit before Taxes	327.7	303.3	246.9	277.2	202.1
Statutory Tax Rate	34.61%	34.61%	34.61%	33.99%	33.99%
Tax as above rate	113.4	105.0	85.4	94.2	68.69
Adjustments for differences					
Difference between tax depreciation and book depreciation	1.0	1.1	0.7	0.3	0.3
Donations	3.4	2.9	2.6	1.9	0.2
Disallowance of Provision for Standard assets	2.2	-	-	-	-
Provision for doubtful debts	1.7	-	-	2.1	1.2
Gratuity	0.5	0.2	0.0	0.1	0.1
Leave encashment	0.5	0.2	(0.0)	(0.0)	0.0
Provision for doubtful loans written back	(4.1)	(4.5)	(0.3)	-	-
Leased Vehicles	(0.6)	(0.5)	(0.5)	(0.4)	(0.4)
Allowable under section 43 B	0.5	(0.7)	(2.7)	(1.0)	3.0
Disallowance u/s 14A	-	0.1	0.3	0.1	0.2
Dividend income	-	(0.1)	(21.0)	(1.5)	(1.1)
Loss / (Profit) on Sale of Fixed Assets	(0.1)	0.2	(0.0)	0.0	-
Loss on Sale of Investment	-	0.4	-	-	-
Income tax Expenses	-	-	0.2	-	-
Provision for doubtful loans Section 36 (1) (viiia)	(1.7)	-	-	-	-
Income taxable under the head capital gains	(30.2)	(16.7)	(2.8)	(16.5)	(5.7)
Total	**(27.0)**	**(17.3)**	**(23.4)**	**(14.7)**	**(2.2)**
Tax savings thereon	(9.4)	(6.0)	(8.1)	(5.0)	(0.8)
Capital gain tax	10.5	5.8	1.0	0.1	0.8
Total taxation	**114.5**	**104.7**	**78.3**	**89.5**	**68.8**
Adjustments: Excess / Short Provision of Tax	0.2	-	0.3	-	1.0
Actual Provision for tax as per Statement of profit and loss	114.7	104.7	78.6	89.5	69.8

Certified to be correct

For JM Financial products Limited

NShah

Nishit Shah
(Chief Financial Officer)

Place: Mumbai
Date: 31-01-2019

ARUN ARORA & CO. CHARTERED ACCOUNTANTS A-12018 MUMBAI

JM Financial Products Limited
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ANNEXURE D

JM FINANCIAL

Statement of dividends					Annexure-I
Particulars	**For the year Ended March 31, 2018**	**For the year Ended March 31, 2017**	**For the year Ended March 31, 2016**	**For the year Ended March 31, 2015**	**For the year Ended March 31, 2014**
Equity Share Capital (Rs. in Crore)	544.50	544.50	544.50	544.50	544.50
Number of shares	544,500,000	544,500,000	544,500,000	544,500,000	544,500,000
Face value of Shares(Rs.)	10.00	10.00	10.00	10.00	10.00
Dividend declared (Interim and Final) (%)	10	20	10	10	3
Dividend per share (Rs.)	1.00	2.00	1.00	1.00	0.30

Certified to be true and correct
For and on behalf of the Board of Directors of JM Financial Products Limited

Director
Mumbai, dated: January 30, 2019

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS