JM FINANCIAL CREDIT SOLUTIONS LIMITED

JM Financial Credit Solutions Limited (our "**Company**") was originally incorporated at Mumbai, Maharashtra on May 15, 1980, as a public limited company, under the provisions of the Companies Act, 1956 with registration number 22644 of 1980, with the name "FICS Consultancy Services Limited". Our Company also received a certificate for commencement of business on May 24, 1980. Subsequently, by way of a fresh certificate of incorporation dated March 04, 2015 issued by the Registrar of Companies, Mumbai, Maharashtra, our Company's name was changed to "JM Financial Credit Solutions Limited". Our Company has obtained a certificate of registration dated August 27, 2003 bearing registration no. B-13.01681 issued by the Reserve Bank of India ("**RBI**") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934. Our Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC). For further details regarding changes to the name and registered office of our Company, see section titled "History and Main Objects" on page 98 of this Draft Shelf Prospectus.

Corporate Identity Number of our Company is U74140MH1980PLC022644

Registered and Corporate Office: 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025, Maharashtra, India

Tel: (+91 022) 6630 3030; **Fax**: (+91 022) 6630 3223; **Website**: www.jmfinancialcreditsolutions.com; **Email**: investorrelations.csl@jmfl.com

Company Secretary and Compliance Officer: Mr. Hemant Pandya; **Tel**: (+91 22) 6630 3030; **Fax**: (+91 22) 6630 3223; **Email**: hemant.pandya@jmfl.com

PUBLIC ISSUE BY JM FINANCIAL CREDIT SOLUTIONS LIMITED, ("COMPANY" OR THE "ISSUER") OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH AND UNSECURED, RATED, LISTED, REDEEMABLE, NON-COVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH, ("NCDs") FOR AN AMOUNT AGGREGATING UPTO ₹ 20,000 MILLION ("SHELF LIMIT") HEREINAFTER REFERRED TO AS THE "ISSUE". THE UNSECURED, RATED, LISTED, REDEEMABLE, NON-COVERTIBLE 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 THIS DRAFT SHELF PROSPECTUS AND THE 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 109 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 section titled "**Risk Factors**" on page 13 of this Draft Shelf Prospectus and "**Material Developments**" on page 130 of this Draft Shelf Prospectus, in the Shelf Prospectus and the relevant Tranche Prospectus of any Tranche Issue before making an investment in such Tranche Issue. This Draft Shelf Prospectus 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 ("**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/Stable by ICRA for an amount of upto ₹ 20,000 million vide its letter dated April 27, 2018 and have been rated IND AA/Stable by India Ratings for an amount upto ₹ 20,000 million vide its letter dated April 27, 2018. The rating of the NCDs by ICRA and India Ratings indicates high degree of safety regarding timely servicing of financial obligations. The rating provided by ICRA and India Ratings 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 letters and rationale for the above ratings.

PUBLIC COMMENTS

This Draft Shelf Prospectus dated ● is open for public comments. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of Mr. Hemant Pandya, Company Secretary and Compliance Officer and Contact Person at the following address: 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai, Maharashtra 400 025, India, Tel. No. (+91 022) 6630 3030; Fax: (+91 022) 6630 3223; Email: hemant.pandya@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 Limited (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 "General Terms of the Issue" starting on page 131 of this Draft Shelf Prospectus. For details relating to eligible investors please see "The Issue" on page 48 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: jmfscl2018@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: jmfcslncd2018@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

Edelweiss Financial Services Limited
Edelweiss House, Off CST Road Kalina, Mumbai 400 098
Tel: (+91 22) 4086 3535
Fax: (+91 22) 4086 3610
Email: Jmfcsl.ncd@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi / Mr. Mandeep Singh
Compliance Officer: Mr. B. Renganathan
SEBI Registration No.: INM0000010650

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: mbd.trust@trustgroup.in
Investor Grievance Email: customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Mr. Vikram Thirani
Compliance Officer: Mr. Ankur Jain
SEBI Registration No.: INM000011120

REGISTRAR TO THE ISSUE

Karvy Computershare 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: jmfs.ncd@karvy.com
Investor Grievance Email: einward.ris@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. Murali Krishna
Compliance Officer: Mr. Rakesh Santhalia
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: Ms. Swapnali Hirlekar / 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 Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., 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 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. 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. 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. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

**IDBI Trusteeship Services Limited under regulation 4(4) of the SEBI Debt Regulations has by its letter dated April 30, 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 in 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 204 of this Draft Shelf Prospectus.

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SECTION I: GENERAL

DEFINITIONS / ABBREVIATIONS

Company related terms

Term	Description
"We", "us", "our", "the Company", "our Company" and "Issuer"	JM Financial Credit Solutions 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.
Board / Board of Directors	The Board of Directors of our Company and includes any Committee constituted thereof, from time to time.
CCPS	Compulsorily Covertible Preference Shares of face value ₹ 10 of our Company.
Equity Shares	Equity shares of face value ₹ 10 each of our Company.
KMP/Key Managerial Personnel	Key Managerial Personnel, as defined under the Companies Act, 2013, section 2(51) as under: *"key managerial personnel", in relation to a company, means -* *i. the Chief Executive Officer or the managing director or the* *ii. manager;* *iii. the company secretary;* *iv. the whole-time director;* *v. the Chief Financial Officer; and* *vi. such other officer not more than one level below the directors who is in whole-time employment designed as key managerial personnel by the Board; and such other officer as may be prescribed;"*
Memorandum / MOA	Memorandum of Association of our Company.
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934.
NCD Public Issue Committee	The committee constituted by our Board of Directors vide board resolution dated April 30, 2018.
Promoter	JM Financial Limited
Reformatted Summary Financial Statements	The reformatted summary statement of assets and liabilities of our Company as of March 31, 2018, 2017, 2016, 2015 and 2014 and the related reformatted summary statement of profit and loss and reformatted statement of cash flows for each of the said 5 years for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 (collectively, together with the annexures thereto, the "**Reformatted Standalone Financial Statements**") as examined by our Company's Statutory Auditors, Deloitte Haskins & Sells LLP, Mumbai. The Audited Standalone Financial Statements and Statutory Auditors reports thereon form the basis of the Reformatted Standalone Financial Statements.
ROC	The Registrar of Companies, Maharashtra, Mumbai
₹/ Rs./ INR/ Rupees	The lawful currency of the Republic of India.
Statutory Auditors	The auditors of the Company, Deloitte Haskins & Sells LLP, Mumbai, Indiabulls Finance Centre, Tower 3, 27th – 32nd Floor, Senapati Bapat Marg, Elphinstone Road (west), Mumbai 400 013.

Issue related terms

Term	Description
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 this 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 offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the respective Tranche Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Prospectus.

Term	Description
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA or non-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 ASBA Applicant.
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process.
Bankers to the Issue/Escrow Collection Banks	The banks with whom Escrow Accounts will be opened 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.
Category I Investor	• 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 ₹ 250 million, 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 ₹ 5,000 million 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 Investor	• 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; • 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 Investor	High Net-worth Individual Investors ("HNIs") - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1,000,000 across all options of NCDs in the Issue.
Category IV Investor	Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1,000,000 across all options of NCDs in the Issue.
Credit Rating Agencies	For the present Issue, the credit rating agencies being, ICRA and India Ratings.
Coupon Rate	The aggregate rate of interest payable in connection with the NCDs in accordance with this 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.
Debentures / NCDs	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each and Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each, aggregating up to ₹ 20,000 million 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 NCDs and Unsecured NCDs whose name appears in the database of the relevant Depository.
Debt Listing Agreement	The 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	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over

Term	Description
Deed	the NCDs issued under the Issue.
Demographic Details	Details of the investor such as address, bank account details for printing on refund orders and occupation, which are based on the details provided by the Applicant in the Application Form.
Deemed Date of Allotment	The date on which the Board or the Allotment Committee of the Board of Directors approves the Allotment of the NCDs for each Tranche Issue. 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 ASBA Applications and 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.
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Accounts and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Account(s) in terms of the Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche prospectus (es) and the Escrow Agreement.
Designated Stock Exchange	BSE i.e. BSE Limited
Draft Shelf Prospectus	This Draft Shelf Prospectus dated May 04, 2018 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.
Escrow Agreement	Agreement dated [•] entered into amongst our Company, the Registrar, the Escrow Collection Bank(s), the Lead Managers, for collection of the application amounts and for remitting refunds, if any, of the amounts collected, to the applicants on the terms and conditions contained therein.
Escrow Account(s)	Accounts opened in connection with the Issue with the Escrow Collection Banks and in whose favour the applicant will issue cheques or bank drafts in respect of the application amount while submitting the application, in terms of the Shelf Prospectus, relevant Tranche Prospectus and the Escrow Agreement.
ICRA	ICRA Limited
India Ratings	India Ratings and Research Private Limited
Issue	Public issue by our Company of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each and Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each, for an amount aggregating up to ₹ 20,000 million ("**Shelf Limit**") pursuant to this Draft Shelf Prospectus, the Shelf Prospectus and the Tranche Prospectus(es). The Unsecured, Rated, Listed, Redeemable Non-convertible Debentures will be in the nature of subordinated debt and will be eligible for Tier II Capital. The NCDs will be issued in one or more Tranche(s), on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue. Our Company may opt to issue on Secured NCDs or Unsecured NCDs as part of any Tranche Prospectus(es).
Issue Agreement	Agreement dated May 4, 2018 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.
JMFL or JM Financial	JM Financial Limited
Lead Brokers	As defined in the relevant Tranche Prospectus for each Tranche Issue.
Lead Managers	A. K. Capital Services Limited, JM Financial Limited (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), Edelweiss Financial Services Limited and Trust Investment Advisors Private Limited.
Market Lot	1 NCD.
Members of the Syndicate	Lead Managers and the Lead Brokers.
Options	An option of NCDs which are identical in all respects including, but not limited to terms and conditions, listing and ISIN and as further stated to be an individual Option in the Draft Shelf Prospectus, Shelf prospectus and relevant Tranche Prospectus (es).
Offer Document	The Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Abridged

Term	Description
	Prospectus, the Application Form and supplemental information, if any.
Public Issue Account	Bank account(s) opened with any of the Bankers to the Issue by our Company under section 40 of the Companies Act, 2013 to receive money from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
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 the Company to the Stock Exchange, will be deemed as the Record Date.
Refund Account(s)	The account(s) opened by our Company with the Refund Bank(s), from which refunds of the whole or part of the Application Amounts (excluding for the ASBA Applicants), if any, shall be made.
Refund Bank	As stated in the relevant Tranche Prospectus.
Register of Debenture holder	A Register of Debenture holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and as more particularly detailed in the Section title "General Terms of the Issue" on page 131 of this Draft Shelf Prospectus.
Registrar to the Issue	Karvy Computershare Private Limited
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 rated, listed, redeemable and will be secured as per the terms and conditions specified under this Draft Shelf prospectus.
Senior Citizen	A person who on the date of the relevant Tranche Issue has attained the age of 60 years or more.
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 http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Shelf Limit	The aggregate limit of the Issue, being ₹ 20,000 million to be issued under this Draft Shelf Prospectus, Shelf Prospectus through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus dated [•] 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.
Stock exchange	BSE
Subordinated Debt	Subordinated Debt means a fully paid up 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 a non-banking financial company. The book value of such instrument shall be subjected to discounting as provided hereunder: Remaining maturity of the instruments and rate of discount: • up to one year 100%; • more than one year but up to two years 80%; • more than two years but up to three years 60%; • more than three years but up to four years 40%; and • more than four years but up to five years 20% to the extent such discounted value does not exceed fifty per cent of Tier I capital.
Syndicate	Syndicate shall mean the brokers and sub-brokers appointed in relation to the Issue.
Syndicate ASBA Application Locations	Application centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the members of the Syndicate shall accept ASBA Applications.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, 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 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 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 percent of risk weighted assets; **(d)** hybrid debt capital instruments; **(e)** subordinated debt to the extent the aggregate does not

Term	Description
	exceed Tier-I capital; 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 Documents	Transaction Documents shall mean, the Issue Agreement dated May 4, 2018 between our Company and the Lead Managers, the Registrar Agreement dated May 04, 2018 with the Registrar to the Issue, the Escrow Agreement dated [•] with the Escrow Collection Banks/ Refund Banks, the Lead Broker Agreement dated [•] with the Lead Brokers, the Debenture Trustee Agreement dated May 4, 2018 executed between our Company and the Debenture Trustee and the agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
Transaction Registration Slip or TRS	The acknowledgment slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs.
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus.
Trading Members	Intermediaries registered with a Lead Broker or a sub-broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges.
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, documents for inspection and other terms and conditions in respect of the relevant Tranche Issue.
Trustees / Debenture Trustee	Trustees for the Debenture Holders in this case being IDBI Trusteeship Services Limited appointed by the Board of Directors or the NCD Public Issue Committee of our Company.
Unsecured NCDs	NCDs offered under this Issue which are rated, listed, redeemable and are not secured by any charge on the assets of our 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 days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India.

** The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., 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 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. 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. 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. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

Industry related terms

Term	Description
ALCO	Asset Liability Committee.
ALM	Asset Liability Management.
CRAR	Capital to Risk Adjusted 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	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 Standard.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
Companies Act, 2013	The Companies Act, 2013, to the extent notified by the Ministry of Corporate Affairs, Government of India.
DRR	Debenture Redemption Reserve.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share.
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.
Fiscal / Financial Year / FY	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.
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 Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.
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 13, 51, 184, 98, 59, 100, 117, 173 and 150 of this Draft Shelf Prospectus, respectively will have the meanings ascribed to them in such sections.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Draft Shelf Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. 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:

- our ability to manage credit quality of our portfolio;
- our Company's ability to compete effectively and access funds at competitive cost;
- our ability to successfully implement our strategy, growth and expansion plans;
- our Company's ability to successfully recover the outstanding advances or proper management of NPA;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business;
- changes in laws and regulations applicable to companies in India;
- defaults by end customers resulting in an increase in the level of non-performing assets in its portfolio;
- downward revision in credit rating(s);
- the outcome of any legal or regulatory proceedings we are or may become a party to;
- changes in domestic or international interest rates and liquidity conditions;
- general, political, economic, social and business conditions in Indian and other global markets;
- performance of the Indian debt and equity markets;
- changes in government regulations;
- effectiveness and accuracy of internal controls and procedures;
- we have incurred significant indebtedness and may incur substantial additional borrowings in connection with our business;
- risks from economic, regulatory and other changes in the Mumbai Metropolitan Region;
- failure to hold or, to prove that we hold, good title to real estate assets, or failure to obtain title insurance guaranteeing title;
- our ability to compete with and adapt to technological advances;
- turndown in the real estate market.

For further discussion of factors that could cause our actual results to differ, see the section titled "*Risk Factors*" on page 13 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*", "*Our Business*" and *"Legal and Other Information"* on pages 66, 82 and 173 respectively of this Draft Shelf Prospectus. 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 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 receipt of listing and trading permission being obtained from the Stock Exchanges.

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 Credit Solutions 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.

In this Draft Shelf Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

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 fiscal 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, in millions. Our Company's financial statements are prepared in accordance with Indian GAAP and the Companies Act, 1956 and Companies Act, 2013, to the extent applicable. Our Company's financial statements for the year ended March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act, 2013 read with General Circular 8/2014 dated April 4, 2014 and for the year ended March 31, 2014 is prepared in accordance with the generally accepted principles in India and as per the provisions of the Companies Act, 1956 and the accounting principles generally accepted in India and comply with the Accounting Standards notified under the Companies Act, 1956 (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.

The Reformatted Summary Financial Statements are included in this Draft Shelf Prospectus. The examination reports on the Reformatted Summary Financial Statements, as issued by our Company's Statutory Auditors, Deloitte Haskins & Sells LLP, are included in this Draft Shelf Prospectus in the section titled "*Financial Information*" beginning at page 206 of this Draft Shelf Prospectus.

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 have 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	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
USD	65.0441	64.8386	66.3329	62.5908	60.0998

Source: www.rbi.org.in In case March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.

SECTION II: RISK FACTORS

The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose off the NCDs. 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 section titled "Our Business" and "Financial Information" at pages 82 and 206 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 Audited Financial Statements for Fiscal 2014, 2015, 2016, 2017 and 2018, included in this Draft Shelf Prospectus.

INTERNAL RISK FACTORS

1. *Our Promoter is involved in certain tax proceedings that if determined against the Promoter, could have a material adverse effect on our business, financial condition and results of operations.*

Our Promoter is involved in certain tax proceedings. These proceedings are pending adjudication before the regulatory authorities. For further details in relation to material legal proceedings, see the section titled "*Pending proceedings and statutory defaults*" at page 173 of this Draft Shelf Prospectus.

We cannot provide any assurance in relation to the outcome of these proceedings. Any adverse decision may have an adverse effect on our business, financial condition and results of operations. Further, there is no assurance that similar proceedings will not be initiated against us in the future.

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

Revenues generated from our lending activities depend on the level of our net interest earned, which is a function of the total amount of our loan book and net interest margin. In Fiscal 2015, 2016, 2017, 2018 our net interest margin was 14.0%, 10.4%, 8.8% and 8.0% respectively. Our various financing products provide a range of loans at fixed or floating rates of interest. Our funding arrangements also include both fixed and floating rate borrowings. Since our financing products involve both floating and fixed rates, an inability to match our borrowing profile with our loan product portfolio may lead to various risks such as increase in interest rate. Our net interest income from financing activities and net interest margin would be adversely impacted in case of an increase in interest rate, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds. In the event of a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could adversely impact our interest income from financing activities and net interest margin. Further, we operate in a highly competitive industry which may further require us to reduce the interest rates at which we lend to our customers without a proportionate reduction in interest rates at which we raise funds. Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors. Interest rates in India have been volatile in the past. There can be no assurance that we will be able to adequately manage our interest rate risk. If we are unable

to effectively manage our interest rate risks, it could have an adverse effect on our net interest margin, thereby adversely affecting our business prospects, future financial performance and results of operations.

3. ***If we are unable to continue to benefit from our relationship with our Promoter and the "JM Financial" brand, our business and results of operations may be adversely affected.***

We benefit from our relationship with our Promoter and the JM Financial group in many ways, such as reputation and experience. We believe that our customers, vendors and other stakeholders such as lenders and investors perceive the "JM Financial" brand to be that of a trusted provider of quality products and services. Our growth and future success is influenced, in part, by our continued relationship with our Promoter and the JM Financial group. 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.

We cannot assure you that the established "JM Financial" brand name will not be adversely affected in the future by events such as actions that are beyond our control, including customer complaints and dissatisfaction or adverse publicity from any other source. Any damage to this brand name, if not immediately and sufficiently remedied, can have an adverse effect on our business and results of operations.

4. ***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.

Some of our competitors may have greater financial resources, may be larger in terms of business volume and customer base, have greater brand recognition among customers, have a broader branch network, better institutional distribution platforms and may have significantly 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 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 lending activities compete based on a number of factors, including, cost effective sources of funding, successful implementation of new technologies, client relationships, reputation and past 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 rate interest options, lower processing fees, monthly reset periods, lower collateral requirements are becoming increasingly common in the Indian financial sector, resulting in an increase in competition. Further, the Indian financing 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 lending 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. 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. Increasing competition may adversely affect our net interest margins, income and market share. For further information, see "*Our Business*" on page 82.

5. ***We are a non-deposit taking systematically important non-banking finance company i.e. NBFC-ND-SI and therefore we are subject to supervision and regulation by the RBI, as an NBFC-ND-SI, and other regulatory authorities. We operate in highly regulated business and are subject to various laws and regulations and regulatory investigations. Changes in the RBI's regulations and other regulations, and the regulation governing our Company or the industry in which our Company operates may have a material adverse effect on our business, financial condition or results of operation.***

We 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 and the Insolvency and Bankruptcy Board of India. We 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.

We are primarily regulated principally by the RBI and are subject to the RBI's guidelines on the regulation of the NBFC-ND-SIs, which includes, among other things, matters related to capital adequacy, exposure, other prudential norms, deployment of assets, requirement of net owned funds, borrowing limits, and credit ratings. The RBI also regulates the credit flow by banks to NBFC-ND-SIs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFC-ND-SIs. The RBI's regulation of NBFC-ND-SIs 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. Further, the RBI's regulations regarding restrictions on banks in relation to their exposure to NBFCs could have an impact on our business and could affect our growth, margins and business operations. For instance, the RBI has introduced the Master Direction – Non-Banking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, which are applicable to an NBFC-ND-SI. 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 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, it is unclear 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. Additionally, we are required to make various filings with the RBI, the Registrar of Companies and other regulatory authorities pursuant to the provisions of RBI 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.

6. ***Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could have an impact on our business and could affect our growth, margins and business operations.***

The RBI *vide* its Notification (No. RBI/2006-07/205/DBOD.No. FSD.BC.46 / 24.01.028 /2006-07) dated December 12, 2006 has amended the regulatory framework governing banks to address concerns arising from divergent regulatory requirements for banks and NBFCs. This Notification reduces the exposure (both lending and investment, including off balance sheet exposures) of a bank to NBFCs like us. Accordingly, banks exposure limits on any NBFC are reduced from the 25% of the banks' capital funds to 10% of its capital funds. Furthermore, RBI has suggested that banks may consider fixing internal limits for their aggregate exposure to all NBFCs combined. This Notification limits a bank's exposure to NBFCs which consequently restricts our ability to borrow from banks.

This Notification could affect our business and any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations.

7. ***Non-compliance with RBI inspection/ observations may have a material adverse effect on our business, financial condition or results of operation. Our overseas operations are also subject to inspections from regulators in such jurisdictions. 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. 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 with respect to satisfying our capital adequacy requirements. 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. The most recent inspection by the RBI on our Company was conducted in October 2017 pursuant to which the RBI issued its observations in December 2017. The Company has responded to these observations and has informed RBI regarding the status of our compliance, there can be no assurance that RBI will consider such steps to be adequate and treat the observations as being duly complied with.

8. ***Our loan portfolio is significantly exposed to real estate which may lead to an increase in its impairment losses and adversely affect our financial condition and results of operations.***

The demand for our loan products is generally affected by developments in the real estate sector. Any decline in conditions of the real estate markets could have an adverse impact on our Company's financial condition and results of operations. Further, deterioration in the housing and property market may result in reversing the growth of our Company's loan accounts, which in turn could result in a material adverse effect on its business, financial condition and results of operations.

Further, as the underlying security on these loans is primarily mortgages or other form of security over the customers' other real residential or commercial property, a significant portion of our Company's loans is exposed to events affecting the real estate sector. In the event of a significant decline in property prices or a defect in the title of the property, our Company may not be able to realise the value of the collateral or recover its principal and interest in the event of a default. Also, if any of the projects which form part of the collateral are delayed for any reason, it may affect our Company's ability to enforce the security, thereby effectively diminishing the value of such security. There can be no assurance that our Company will be able to foreclose on collateral on a timely basis, or at all, and if it is able to foreclose on the collateral, that the value will be sufficient to cover the outstanding amounts owed to our Company which may result in a material adverse effect on its business, results of operations and financial condition.

9. ***We are significantly dependent on and exposed to risks emanating from economic, regulatory and other changes in the Mumbai Metropolitan Region, which if we are unable to manage successfully may have an adverse effect on our revenues, cash flows, profits and financial condition.***

Our business is significantly dependent on the revenues generated from the projects situated in the Mumbai Metropolitan Region ("**MMR**"). Our Company's projects in MMR accounted for 42.5% of our total business as of March 31, 2018. In the event of a regional slowdown in the economic activity in the MMR or factors such as a slowdown in sectors such as real estate, we may experience more pronounced effects on our financial

condition and results of operations. While, we have expanded our operations to other cities such as Hyderabad, the National Capital Region of Delhi, Kolkata, Bengaluru, Pune and Chennai, our business, financial condition and results of operations have been and will continue to be largely dependent on the performance of, and the prevailing conditions affecting, the economy in MMR. Further, our business is, significantly dependent on the state and local government policies relating to the real estate industry prevailing in MMR. Therefore, any significant social, political or economic disruption, or natural calamities or civil disruptions in this MMR, or changes in the policies in this region could affect our business operations, require us to incur additional expenditure and/or change our business strategies.

10. ***Our Company may experience difficulties in expanding its business into new regions and markets in India and introducing its complete range of products in each of its branches.***

Our Company continues to evaluate attractive growth opportunities to expand its business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our Company's current markets and our Company 's experience in its current markets may not be applicable to these new markets. In addition, as our Company enters new markets and geographical regions, our Company is likely to compete with other banks and financial institutions that already have a presence in those jurisdictions and markets. As these banks and financial institutions are more familiar with local regulations, business practices and customs, they may have developed stronger relationships with customers.

Our Company's business may be exposed to various additional challenges including obtaining the necessary governmental approvals, identifying and collaborating with local business and partners with whom our Company may have no previous working relationship, successfully gauging market conditions in the local markets in which our Company has no previous familiarity, attracting potential customers in a market in which our Company does not have significant experience or visibility, being susceptible to local taxation in additional geographical areas in India and adapting our Company's marketing strategy and operations to the different regions of India in which different languages are spoken. Our Company's inability to expand its current operations may adversely affect its business prospects, financial conditions and results of operations.

11. ***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 loan activities, we extend significant 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.

12. ***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 in part 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. As regards our privately placed non-convertible debentures, we have been assigned a ICRA AA/Stable rating by ICRA and a IND AA/Stable rating by India Ratings for an amount up to ₹ 30,000 million and a CRISIL AA/Stable rating by CRISIL for an amount up to ₹ 20,000 million. Further, ICRA and India Ratings has assigned a [ICRA]AA/Stable rating and IND AA/Stable rating respectively for our non-convertible debentures amounting up to ₹ 20,000 million proposed to be issued under the issue. For information on our credit ratings, see "*Our Business*" on page 82. 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. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

13. ***Our business requires substantial funds, and any disruption in funding sources or an increase in the average cost of borrowings could 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, non-convertible debentures, as well as equity contributions. Our finance costs were ₹ 29.8 million, ₹ 133.7 million, ₹ 1,746.8 million, ₹ 3,122.6 million and ₹ 3,916.6 million in fiscal 2014, 2015, 2016, 2017 and 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.

14. ***Any default and late or non-payment by 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 are an NBFC involved in wholesale finance to real estate developers which 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 real estate market, movements in global markets, changes in interest rates and changes in regulations.

Our credit includes advancement to developers of residential real estate projects and is therefore less economically stable than large corporates, and as a result, is usually adversely affected by declining economic conditions. We have a greater risk of loan defaults and losses in the event there are adverse economic conditions which may have a negative effect on the ability of real estate developers to make timely payments of their loans. Any negative trends or financial difficulties affecting our customers could increase the risk of their default. 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. Further, if we are not able to successfully manage these risks associated with lending to these customers, then it may become difficult for us to make recoveries on these loans. We may also experience higher delinquency rates due to prolonged adverse economic conditions or a sharp increase in interest rates. 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. If our borrowers fail to repay loans in a timely manner or at all, our business prospects, financial condition and results of operations will be adversely impacted. 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.

15. ***Increase in NPA levels due to customer defaults could 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 our revenue from loan activities on a wholesale basis. Customer defaults could adversely affect our NPA levels and increase our provisions made for our NPA, which could in turn adversely affect the results of operations of our fund based activities, cash flows and profitability. From Fiscal 2015 to Fiscal 2017 our NPA ratios were 'nil' and for Fiscal 2018 our gross NPA ratios were 1.0%,, while our net NPA ratios were 0.9%. 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 our existing NPA. In addition, we may experience greater defaults in principal and/ or interest repayments in future. Thus, if we are unable to maintain our current level of the NPA, 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 is 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.

16. ***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.***

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 thereby 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 due to various reasons, including a possible decline in the realizable value of the collateral, defective title as security, prolonged legal proceedings, 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.

We may be affected by failure of employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients. Inaccurate appraisal of credit may allow a loan sanction which may eventually result in a bad debt on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

17. ***We derive majority/substantial of our revenues from our top 20 borrowers. Our inability to maintain relationship with such borrower or any default and non-payment in future or credit losses of our single borrower or group exposure where we have a substantial exposure could materially and adversely affect our business, future financial performance and results of operations***

Our largest borrowers belong to the real estate sectors. Our concentration of exposure is high with our top 20 borrowers and our exposure to such borrowers as of March 31, 2018 is 38.7%. Our business and results of operations would majorly depend upon the timely repayment of the interest and principal from these large borrowers. We cannot assure you that we will not experience any delay in servicing of the loan or that we will be able to recover the interest and the principal amount of the loan. Any such delay or default will adversely

affect our income from operation and thereby our profitability. In case we are unable to recover the complete the loan disbursed or any part of thereof, and the collateral is also not sufficient to recover our loan, our financial conditions may be adversely affected.

18. ***Our Company is currently not in possession of certain of its secretarial records and filings for the period during the Fiscal 1981. 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.

For instance, our Company is currently not in possession of certain of its secretarial records and filings for the initial public offering conducted by our Company on September 09, 1980, in particular the return of allotment and the prospectus filed with the jurisdictional registrar of companies. Accordingly, some of the information included in the section "*Capital Structure*" on page 51 of this Draft Shelf Prospectus is based on other documentation available with our Company, including annual returns and alternate secretarial records and filings. 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 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.

19. ***We have significant exposure to real estate loans and any impact on their financial performance or the sector in which they operate or the economy in general will adversely affect our results of operation.***

Our real estate lending portfolio comprises loans to developers. Our financial position is dependent on global and domestic trends in these sectors. Regulatory actions or policy announcements by the Government of India or state government authorities or any other factors outside our control which could cause significant deterioration in the performance of a particular sector, may adversely impact the ability of borrowers in that industry to service their debt obligations. Accordingly, there can be no assurance that these borrowers will continue to honor their obligations. Further, there can be no assurance that there will be no defaults in future and that there will not be any delay in payments of interest and/ or principal from these borrowers. If any of these borrowers were to become non- performing, our exposure to credit risk would increase, and our net profits would decline and, due to the degree of such exposures, our ability to meet capital requirements could be compromised.

20. ***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.

21. ***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 51.8% from ₹ 5,194.5 million in fiscal 2016 to ₹ 7,883.6 million in fiscal 2017 and further increased to ₹ 9,599.3 million 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, legal and market risks. There can be no assurance that we will be able to successfully pursue our growth strategies of 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.

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

Our business is dependent on JM Financial group's goodwill and our use of the 'JM Financial' brand name and associated logo, which are registered as trademarks by JM Financial & Investment Consultancy Services Private Limited ("**JMFICS**"), our promoter group company, and are currently being used by us pursuant to a letter of consent dated December 04, 2014 issued by JMFICS to us. Any adverse impact of our goodwill or change in control of the JM Financial group may affect our reputation, business, financial condition and results of operations. Negative public opinion about the financial services industry generally or about our 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 lending business, are inherently exposed to this risk. Any adverse developments regarding our own goodwill, including on our ability to use the 'JM Financial' brand name and associated logo could materially and adversely affect our business financial condition and results of operations. Further, we depend on our brand recognition, and failure to maintain and enhance awareness of our brand would adversely affect our ability to retain and expand our customer base.

23. ***Our business operations are 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 dependent on our information technology systems to record and process accurately a large number of transactions on a periodic 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, 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 banks, registrar 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 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. Although we back up our business data regularly and have a contingency disaster recovery center, there can be no assurance that there will not be any unforeseen circumstances or that our disaster recovery planning is adequate for all circumstances. So far, we have not experienced widespread disruptions of service to our customers, but there can be no assurance that we may not encounter disruptions in the future due to substantially increased numbers of customers and transactions, or for other reasons.

Additionally, our success also depends in part on our ability to respond to technological advances and to emerging financing industry standards and practices on a cost effective and timely basis. Such development and

implementation of technology entails significant technical and business risks. If we are unable to keep up with technological changes while our competitors invest in improved or better technologies, they may be able to offer customers better products and user experience. If we are unable to effectively compete on information technology enabled offerings, it could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

24. ***We are exposed to significant credit risk in our business operations which may expose us to significant losses and adversely affect our business and results of operations.***

Our business involves providing finance to our customers and may suffer significant losses from credit exposures to our customers/ clients. The difficulties associated with the inability to accurately assess the value of collateral and to enforce rights in respect thereof, along with the absence of such accurate statistical, corporate and financial information, may decrease the accuracy of our assessments of credit risk, thereby increasing the likelihood of our customers/ clients to default on our loan and decreasing the likelihood that we would be able to enforce any security in respect of such a loan.

We are also dependent on various intermediaries, including brokers, banks, registrars, valuers and third party databases and if any of these intermediaries do not perform their obligations, we could suffer significant losses and it would have an adverse effect on our financial condition, results of operations and cash flows. We are also subject to the risk that our rights against these counterparties may not be enforceable in all circumstances.

While we attempt to minimize our exposure to specific customers, our internal measures and controls may not be sufficient. Accordingly, higher credit risk may expose us to greater potential losses, which may materially and adversely affect our business, prospects, financial condition and results of operations.

25. ***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*" on page 82.

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 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 collateral (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, inadequate training and employee errors, theft, fraud or other misconduct by employees or outsiders, unauthorized transactions by employees, and operational 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.

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.

26. ***We are dependent on our senior management and other key personnel as well as certain intermediaries, 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 100. 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 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.

27. ***Unsecured loans that we may provide could be 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.***

As we grow our operations, we may provide unsecured advances. 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 may 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.

28. ***We have a high concentration of loans to certain customer groups. 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. As of March 31, 2018 we had 77 borrower groups and the average ticket size of advances per borrower group was ₹ 953.1 million in accordance with regulations prescribed by the RBI. 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.

29. ***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, with respect to loans extended by us and foreign investment received in our Company. 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. 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 have adopted 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. Our business and reputation could suffer if any such parties use our services for money-laundering or illegal or improper purposes.

While we continue to strengthen our FATCA, 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.

30. ***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 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.

31. ***We are subject to regulations in relation to minimum capital adequacy requirements and a decline in our CRAR may 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 Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, 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 March 31, 2018, CRAR was 22.4%, of which Tier 1 Capital was 22.0% for our lending business. 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 million and above will be increased in a phased manner as follows: 8.5% by March 31, 2016 and 10.0% 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.

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

We need to maintain adequate liquidity for our 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. Any reduction in our liquidity could affect or impair our business growth and reduce the confidence of our customers/lender in us, which may result in the loss of customer/lender accounts.

We meet our liquidity needs primarily through cash generated from operating activities and debt financing. Our external financing could be limited and result in an increase in our borrowing costs, during unfavourable market conditions. 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.

Although we believe that we have diversified sources of external financing, such financing may not be available on acceptable terms.

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 inter-corporate deposits. 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.

33. ***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 the RBI and other regulatory authorities and accordingly, we are required to obtain certain approvals, permits, licences, registrations and permissions for operating our business at each of our locations. 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.

34. ***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. Failed security measures could have a material adverse effect on our business, our future financial performance and the interest payable and repayment of liabilities. 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.

35. ***We may 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 may introduce new products and services in our existing lines of businesses as permitted by the relevant regulatory authorities. 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.

36. ***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 March 31, 2018, we had total outstanding debt of ₹ 55,488.0 million, and our debt to equity ratio was 3.2. 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.

Under some of our financing agreements, we require, and may be unable to obtain, consents from the relevant lenders for, amongst others, the following matters: to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our company has paid to the lender the dues payable by our company in that year, to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction or disposal of whole of the undertaking, to create or permit any charges or lien, or dispose off any encumbered assets, to amend the charter documents, etc. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document.

37. ***We depend on the accuracy and completeness of information about customers and counterparties and any misrepresentation, errors in or incompleteness of such information could cause our business to suffer.***

In deciding whether to extend credit to our customers, we rely on information furnished to us by or on behalf of customers including certain representations as to the accuracy and completeness of that information such as financial statements. 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 auditors 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.

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.

38. ***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 million)		
Net cash flow from/ (used in) operating activities	(19,696.9)	(12,702.0)	(12,957.9)
Net cash flow from/ (used in) investing activities	5.7	7.7	19.0
Net cash flow from/ (used in) financing activities	20,680.5	11,692.7	14,105.3
Net increase/ (decrease) in cash and cash equivalents	989.3	(1,001.6)	1,166.4

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.

39. ***Our Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders.***

Our Company may, in the ordinary course of its business and subject to receipt of all necessary consents from its existing lenders, the debenture trustee appointed in relation to the privately placed non-convertible debentures and the Debenture Trustee to the Issue, raise further borrowings and charge its assets from the date of filing this Draft Shelf Prospectus. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the debenture holders may/will rank pari passu with other charge holder and to that extent, may reduce the amounts recoverable by the NCD holders upon our Company's bankruptcy, winding-up or liquidation.

40. ***We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that we could not have achieved more favorable terms if such transactions had been entered into with third parties.***

We have entered into transactions with related parties. While we believe that all such transactions have been conducted on an arms-length basis, there can be no assurance that we would not have achieved more favorable commercial terms with other parties. Furthermore, we may enter into related party transactions in the future, and such transactions may potentially involve conflicts of interest. For further information on our related party transactions, see "*Financial Information*" on page 206. There can be no assurance that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows.

In the event any conflict of interest arises between us, or to the extent that competing products offered by any of our related parties erode our market share, we may not be able to effectively manage any such conflict or competitive pressures and, consequently, our business, results of operation and financial condition may be adversely affected. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

41. ***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 structure may present conflicts of interest among our Company's Promoter, other shareholders, Directors, executive officers and the holders of Equity Shares. Our Company's Promoter, Directors and related entities have interests in various entities that are engaged in businesses similar to our Company. 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.

42. ***The new Bankruptcy Code in India may affect our rights to recover loans from borrowers***.

The Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**") was notified on August 05, 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 75% 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.

Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

43. ***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 "Industry report on Assessment of various financial products and services in India, January 2018" dated January 2018.

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.

44. ***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 maintain insurance policies covering, losses occasioned by fire, burglary for the premises, 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. 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.

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*" on page 82.

45. ***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 82. 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.

46. ***Our Company will be subject to a number of new accounting standards as part of its transition to IND (AS) that may significantly impact its financial statements in future reporting periods***

The Audited Financial Statements have been prepared in accordance with Indian GAAP. The Companies (Indian Accounting Standards) Rules, 2015 ("**IAS Rules**"), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IAS Rules provide 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 April 01, 2018 with comparatives for the period ending on March 31, 2018. Our Company qualifies to be a NBFC as the above IAS Rules.

As there is not yet a significant body of established practice, such as interpretations of the new accounting standards, on which to draw in forming judgments regarding the new system's implementation and application, our Company has not determined with any degree of certainty the impact such adoption will have on its financial reporting. However, the IND (AS) accounting standards will change its methodology for estimating allowances for probable loan losses, amongst others. They may require our Company to value its NPAs by reference to their market value (if a ready market for such loans exists) or to calculate the present value of the expected future cash flows realisable from its loans, including the possible liquidation of collateral (discounted at the loan's effective interest rate) in estimating allowances for probable loan losses. This may result in our Company recognising higher allowances for probable loan losses in the future.

As a result, there can be no assurance that our Company's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND (AS) than under Indian GAAP. Our Company's management may also have to divert significant time and additional resources in order to implement IND (AS) on a timely and successful basis. Moreover, there is increasing competition for the small number of IND (AS) experienced accounting personnel available as more Indian companies (including NBFCs) begin to prepare IND (AS) financial statements. There can be no assurance that our Company's adoption of IND (AS) will not adversely affect its reported results of operations or financial condition in the future and any failure to successfully adopt IND (AS) may impact our Company's business, financial condition and results of operations in the future.

47. *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 located in Mumbai and two other offices located in Delhi and Chennai are on a leasehold basis up to October 01, 2022, April 01, 2022 and January 20, 2023, respectively, and we do not own any of these 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 lease on similar terms or at all, it may adversely affect our business operations.

EXTERNAL RISK FACTORS

48. *Instability or difficult conditions in the financial markets could adversely affect our business, results of operations and financial condition.*

Our business is materially affected by conditions in the domestic and global financial markets, as well as economic and political conditions in India. Factors such as macroeconomic and monetary policies, volatility in security prices, industry specific trends, upward and downward trends in the market, legislation and regulations relating to the financial industries, inflation, foreign direct investment, availability of short-term and long-term market funding sources and cost of funding, could affect our business. Unstable or volatile economic conditions could lead to a decrease in real estate and infrastructure projects, thereby reducing the demand for our real estate financing business as well.

The Indian financial market and the Indian economy are influenced by global economic and market conditions, particularly Asian emerging market countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on other countries, including India. A loss in 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. Such periods and economic climate may deteriorate due to factors beyond our control, including rising interest rates or inflation, terrorism or political uncertainty, any adverse global or domestic events, including the events that may negatively impact liquidity and investment inflows from foreign and domestic investors.

49. *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 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 GOI 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 repayment of liabilities.

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.

50. ***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 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 GOI 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.

51. ***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 United States 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.

52. ***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 GOI 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.
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" 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.

53. ***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.

54. ***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. We have not attempted to quantify the impact of other accounting principles, such as U.S. 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 U.S. GAAP or IFRS. U.S. 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 financial results and financial statements summarized in the section "*Financial Information*" on page 206 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 consolidated financial results and consolidated 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.

55. ***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.

56. ***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.

57. ***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 2.47% (provisional) for the month of March, 2017 (over March 2017) as compared to 2.48% (provisional) for the previous month and 5.11% during the corresponding month of 2017. (*Source: Index Numbers of Wholesale Price in India, Review for the month of March 2018, published on April 16, 2018 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.

58. ***Acts of terrorism, civil disturbance, communal conflicts, regional conflicts and other similar threats to security could adversely affect our Company's business, cash flows, results of operations and financial condition***

Increased political instability and regional conflicts, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several countries and regions in which our company operates, strained relations arising from these conflicts and the related decline in consumer confidence may hinder our ability to do business. Any escalation in these events or similar future events may disrupt our company's operations or those of our customers and suppliers. Further, certain events that are beyond the control of our company, such as violence or war, including those involving India, the united kingdom, the united states or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our business, future financial performance and price, interest payable and redemption amount of the NCDs.

Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Indian economy and consequently company's operations might be significantly affected. India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have an adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected. These events have had and may continue to have an adverse impact on the global economy and customer confidence, which could in turn adversely affect our company's revenue, operating results and cash flows.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price, interest payable and redemption amount of the NCDs. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of securities and may limit the capital resources available to our company and to our customers and suppliers.

59. ***Natural disasters and other disruptions could adversely affect the Indian economy and could adversely affect our business, results of operations and financial condition***.

Our operations, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our business. Any of the above factors may adversely affect our business, results of operations and financial condition.

RISKS RELATING TO THE ISSUE AND THE NCDS

60. ***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, including obtaining the relevant consents from our lenders for the Issue, 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. While our Company has sought consents from its lenders for undertaking this Issue, our Company is yet to receive the consent of one of its lenders, namely, Syndicate Bank.

Undertaking the Issue without lender consents 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.

We will file the Shelf Prospectus and the relevant Tranche Prospectus only upon obtaining the consent of Syndicate Bank to the Issue.

61. *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 one time the outstanding amount of the secured NCDs issued by this Draft Shelf Prospectus 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.

62. *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.

63. *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 secured NCD Holders on the assets adequate to ensure 100.00% asset cover for the secured NCDs, 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.

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

Sale of NCDs by any holder may give rise to tax liability, as discussed in section entitled "*Statement of Tax Benefits*" on page 59.

65. *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.

66. *There may be no active market for the NCDs on the wholesale 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.

67. *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.

68. *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 ₹ 20,000 million proposed to be issued under the Issue have been rated ICRA AA/Stable by ICRA vide its letter dated April 27, 2018 and IND AA/Stable by India Ratings vide its letter dated April 27, 2018. The rating of the NCDs indicates high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The rating provided by ICRA and India Ratings 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 letters and rationale for the above rating.

69. *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.

70. ***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 the purpose of onward lending, our various financing activities including lending, for repayment of interest and principal of existing borrowing of the company and our capital expenditure and working capital requirements, subject to applicable statutory and/or regulatory requirements (in particular, not more than 25% of our net proceeds being utilised for general corporate purposes). For further details, see the section titled "*Objects of the Issue*" on page 57 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. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

71. ***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.***

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 April 27, 2018. In the event that such consent is not granted, 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.

SECTION III: INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated at Mumbai, Maharashtra on May 15, 1980, as a public limited company, under the provisions of the Companies Act, 1956 with registration number 22644 of 1980, with the name "FICS Consultancy Services Limited". Our Company also received a certificate for commencement of business on May 24, 1980. Subsequently, by way of a fresh certificate of incorporation dated March 04, 2015 issued by the Registrar of Companies, Mumbai, Maharashtra, our Company's name was changed to "JM Financial Credit Solutions Limited". Our Company has obtained a certificate of registration dated August 27, 2003 bearing registration no. B-13.01681 issued by the RBI to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934. Our Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI). For further details regarding the Promoter and the group companies please refer to "*Our Promoters*" at page 109 of this Draft Shelf Prospectus. For further details regarding changes to the name and registered office of our Company, see section titled "History and Main Objects" on page 98 of this Draft Shelf Prospectus.

The equity shares of our Company were previously listed on BSE. With effect from April 18, 2013, the trading of equity shares of the Company was discontinued, pursuant to the Company having complied with the formalities for voluntary delisting of its equity shares under the SEBI (Delisting of Equity Shares) Regulations, 2009.

Registered and Corporate Office

JM Financial Credit Solutions Limited
7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi
Mumbai
Maharashtra 400 025, India
Tel: (+91 22) 6630 3030
Fax: (+91 22) 6630 3223
Website: www.jmfinancialcreditsolutions.com
Email: investorrelations.csl@jmfl.com

For details of change in registered office, refer to the section titled "*History and Main Objects*" on page 98 of this Draft Shelf Prospectus.

Registration

Registration Number: 22644

Corporate Identity Number: U74140MH1980PLC022644 issued by the Registrar of Companies, Maharashtra, Mumbai.

Certificate of registration bearing number B-13.01681 under Section 45IA of the RBI Act, 1934 from the RBI dated August 27, 2003 from the RBI to carry on the business of a non-banking financial institution without accepting public deposits.

Legal Entity Identifier number: 2549006BN92R4G13MM66.

Chief Financial Officer

Mr. Gagan Kothari
7th Floor, Cnergy
Appasaheb Marathe Marg Prabhadevi
Mumbai
Maharashtra 400 025, India
Tel: (+91 22) 6630 3030
Fax: (+91 22) 6630 3223
Email: gagan.kothari@jmfl.com

Company Secretary and Compliance Officer

Mr. Hemant Pandya
7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi
Mumbai
Maharashtra 400 025, India
Tel: (+91 22) 6630 3030
Fax: (+91 22) 6630 3223
Email: hemant.pandya@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 Allotment Advice, demat credit of allotted NCDs, refund orders or interest on application money, as the case maybe.

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 Members of the 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 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 ASBA Applicant.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism or through Trading Members 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: jmfcsl2018@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 3220
Email: jmfcslncd2018@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, JMFL will be involved only in marketing of the Issue.*

EDELWEISS FINANCIAL SERVICES LIMITED
Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: Jmfcsl.ncd@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi / Mr. Mandeep Singh
Compliance Officer: Mr. B Renganathan
SEBI Registration No.: INM0000010650

TRUST INVESTMENT ADVISORS PRIVATE LIMITED
109/110, Balarama, Bandra Kurla Complex
Bandra (E)
Mumbai - 400051
Tel: (+91 22) 40845000
Fax: (+91 22) 40845007
Email: mbd.trust@trustgroup.in
Investor Grievance Email: customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Mr. Vikram Thirani
Compliance Officer: Mr. Ankur Jain
SEBI Registration No.: INM0000

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: Ms. Swapnali Hirlekar / Mr. Amit Mantri
SEBI Registration No.: IND000000460

IDBI Trusteeship Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated April 30, 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 131 of this Draft Shelf Prospectus.

Registrar to the Issue

Karvy Computershare 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: jmfs.ncd@karvy.com
Investor Grievance Email: einward.ris@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. Murali Krishna
Compliance Officer: Mr. Rakesh Santhalia
SEBI Registration No.: INR000000221

Karvy Computershare Private Limited has by its letter dated April 30, 2018 given its consent for its appointment as Registrar to the Issue and for its name to be included in this Draft 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 or Refund Orders, non-receipt of Debenture Certificates, transfers, or interest on application money 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 Lead Managers, brokers and sub-brokers 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 member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA 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 Trading Members of the Stock Exchanges may be addressed directly to the relevant Stock Exchange.

Statutory Auditors

Deloitte Haskins & Sells LLP
Indiabulls Finance Centre
Tower 3, 27th – 32nd Floor
Senapati Bapat Marg
Elphinstone Road (west)
Mumbai 400 013
Tel: (+91 477) 6185 4000
Fax: (+91 477) 6185 4501

Deloitte Haskins & Sells LLP has been the statutory auditor of the Company since February 12, 2015 and there has been no change in the statutory auditor of the Company for three years preceding the date of this Draft Shelf Prospectus.

Credit Rating Agencies

ICRA Limited
'The Millenia' Tower B
Unit No. 1004, 10th Floor
Level 2 12-14, 1&2
Murphy Road, Bengaluru 560 008Telephone: (+91) (080) 4332 6401
Facsimile: (+91) (080) 4332 6409
Email: jayantac@icraindia.com
Contact Person: Jayanta Chatterjee
Website: www.icra.in
SEBI Registration Number: IN/CRA/008/2015

India Ratings and Research Private Limited

Wockhardt Towers,
4th Floor
Bandra Kurla Complex,
Bandra East,
Mumbai 4000051
Telephone: (+91 22) 4000 1700
Facsimile: (+91 22) 4000 1701
Email: shrikant.dev@indiaratings.co.in
Contact Person: Shrikant Dev, Compliance Officer
Website: www.indiaratings.co.in
SEBI Registration Number: IN/CRA/002/1999

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated ICRA AA/Stable by ICRA for an amount of upto ₹ 20,000 million vide its letter dated April 27, 2018 and have been rated IND AA/Stable by India Ratings for an amount upto ₹ 20,000 million vide its letter dated April 27, 2018. The rating of the NCDs by ICRA and India Ratings indicates high degree of safety regarding timely servicing of financial obligations. The rating provided by ICRA and India Ratings 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 India Ratings

"All credit ratings assigned by India Ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.indiaratings.co.in/rating-definitions. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and methodologies are available from this site at all

times. India Ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site."

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

Banker(s) to the Company

Axis Bank Limited
Address: Corporate Office Building,
Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg, Worli,
Mumbai 400 025
Contact Person: Mr. Sushil Kumar
Telephone number: 022 2425 4745
E-mail: sushil1.kumar@axisbank.com
Website: www.axisbank.com

Bajaj Finance Limited
Address: The Capital, Unit No. 1601,
16th Floor, B Wing, Plot No. C-70,
G-Block, BKC, Bandra East,
Mumbai 400 051
Contact Person: Mr. Anand Soni
Telephone number: 022 3950 0500
E-mail: anand.soni@bajajfinserv.in
Website: www.bajajfinserv.in

Bank of Baroda
Address: Corporate Financial Service Branch,
3rd Floor, 10/12, Mumbai Samachar Marg, Fort,
Mumbai 400 001
Contact Person: Mr. Sushant Behera
Telephone number: 022 4340 7315 / 316 / 330
E-mail: rm2.cfsbal@bankofbaroda.com
Website: www.bankofbaroda.co.in

Canara Bank
Address: Specialised Mid Corporate Branch,
Canara Bank Building, BKC,
Mumbai 400 051
Contact Person: Mr. K. Balakrishna
Telephone number: 022 2653 5731
E-mail: balakrishnak@canarabank.com
Website: www.canarabank.in

The Federal Bank Ltd
Address: Corporate & Institutional Business Department,
C Wing, 2nd Floor, Laxmi Towers, BKC,
Mumbai 400 051
Contact Person: Ms. Shilpi Jain
Telephone number: 022 6174 8613
E-mail: shilpi.jain@federalbank.co.in
Website: www.federalbank.com

HDFC Bank Limited
Address: Trade World, A-Wing, 2nd Floor,
Kamal Mills Compound, Senapati Bapat Marg,
Lower Parel,
Mumbai 400 013
Contact Person: Mr. Xerses Davar
Telephone number: 022 2498 8484
E-mail: xerses.davar@hdfcbank.com
Website: www.hdfcbank.com

IDBI Bank
Address: Large Corporate Group, 224 A,
Mittal Court, A wing, Nariman Point,
Mumbai 400 021
Contact Person: Mr. Atul Gupta
Telephone number: 022 6658 8158
E-mail: gupta.atul@idbi.co.in
Website: www.idbi.com

IDFC Bank Limited
Address: Naman Chambers, C-32, G-Block,
Bandra-Kurla Complex, BKC,
Mumbai 400 051
Contact Person: Mr. Abdullah Mehtab
Telephone number: 022 4222 2000 (25654)
E-mail: abdullah.mehtab@idfcbank.com
Website: www.idfcbank.com

Indusind Bank
Address: Peninsula Corporate Park,
Tower A, 4th Floor, Unit No. 401&404,
Ganpat Rao Kadam Marg, Lower Parel,
Mumbai 400 013
Contact Person: Mr. Ravindra Mahar
Telephone number: 022 4368 0407
E-mail: ravindra.mahar@indusind.com
Website: www.indusind.com

Punjab National Bank
Address: Large Corporate, Maker Tower E,
Ground Floor, Cuff Parade,
Mumbai 400 005
Contact Person: Ms. Bina Narula
Telephone number: 022 2215 0222 / 2218 0752
E-mail: binanarula@pnb.co.in
Website: www.pnbindia.in

RBL Bank Limited
Address: Financials Instituions Group One,
Indiabulls Centre, Tower 2B, 6th Floor, 841,
Senapati Bapat Marg, Lower Parel,

State Bank of India
Address: Mid Corporate Group, Commercial Branch (Advances), Horniman Circl, Fort, Mumbai 400 001

Mumbai 400 013 **Contact Person**: Mr. Aashish Yadav **Telephone number:** 022 4302 0944 **E-mail:** aashish.yadav@rblbank.com **Website:** www.rblbank.com	**Contact Person**: Deputy General Manager **Telephone number:** 022 2266 2323 **E-mail:** sbi.06070@sbi.co.in **Website:** www.sbi.co.in

Syndicate Bank
Address: Large Corporate Branch,
Homji Street 3rd Floor,
10, Homji Street, Fort,
Mumbai 400 023
Contact Person: Mr. S.V. Santhanam
Telephone number: 022 2262 2234
E-mail: br.5063@syndicatebank.co.in
Website: www.syndicatebank.in

Banker(s) to the Issue

As specified in the relevant Tranche Prospectus for each Tranche.

Refund Bank(s)

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, within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within 12 days from the date of closure of the Issue. 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.

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.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchanges only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchanges 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 ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchanges only in the Specified Cities, see the above mentioned web-link.

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds, please refer to the chapter titled "Objects of the Issue" on page 57 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., 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 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. 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. 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. 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 Members of the Syndicate 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 "General Terms of the Issue" beginning on page 131 of this Draft Shelf Prospectus.

Common Terms for all series of NCDs*

Issuer	JM Financial Credit Solutions Limited.
Lead Managers	A. K. Capital Services Limited, JM Financial Limited**, Edelweiss Financial Services Limited and Trust Investment Advisors Private Limited.
Debenture Trustee	IDBI Trusteeship Services Limited.
Registrar to the Issue	Karvy Computershare Private Limited.
Type and nature of instrument	Secured NCDs of face value of ₹ 1,000 each and Unsecured NCDs of face value ₹ 1,000 each.
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)	1,000/-
Minimum application	As specified in the relevant Tranche Prospectus for each Tranche Issue.
In multiples of	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Seniority	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The 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 be secured by way of first ranking *pari passu* floating charge on book debts, loans and advances, and receivables, both present and future, of our Company, which are / will not be offered to Banks 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.
Issue	Public issue by our Company of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each and Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each, for an amount aggregating up to ₹ 20,000 million ("**Shelf Limit**") pursuant to this Draft Shelf Prospectus, the Shelf Prospectus and the Tranche Prospectus(es). The Unsecured, Rated, Listed, Redeemable Non-convertible Debentures will be in the nature of subordinated debt and will be eligible for Tier II Capital. The NCDs will be issued in one or more Tranche(s), on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue. Our Company may opt to issue on Secured NCDs or Unsecured NCDs as part of any Tranche Prospectus(es).
Listing	BSE BSE shall be the Designated Stock Exchange for the Issue. The NCDs shall be listed within 12 Working Days from the respective Issue Closing Date.
Lock-in	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Mode of Allotment and Trading	Compulsorily in dematerialised form.
Mode of settlement	Please refer to the section titled "Issue Structure" beginning on page 137 of this Draft Shelf Prospectus.
Market / Trading Lot	One NCD.
Depositories	NSDL and CDSL.
Security	Security for the purpose of this Issue and every Tranche Issue will be created in accordance with the terms of the Debenture Trust Deed. For further details please refer to the section titled "*Issue Structure*" beginning on page 137 of this Draft Shelf Prospectus.
Who can apply/ Eligible Investors	Please refer to the section titled "Issue Procedure" beginning on page 150 of this Draft Shelf Prospectus.
Credit Ratings	

Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated (in million)	Rating definition
ICRA	Non Convertible Debenture	AA/Stable	April 27, 2018	20,000	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.
	India Ratings	Non Convertible Debenture	AA/Stable	April 27, 2018	20,000	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

	Please refer to Annexures A and B of this Draft Shelf Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA and INDIA RATINGS under the chapter "*General Information*" on page 40.
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.
Application money	The entire application amount is payable on submitting the 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 57 of this Draft Shelf Prospectus.
Details of the utilisation of Issue proceeds	Please refer to the section titled "Objects of the Issue" on page 57 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 days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India. 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. If the date of payment of interest or any date specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the "**Effective Date**"). Interest or other amounts, if any, will be paid on the Effective Date. For avoidance of doubt, in case of interest payment on Effective Date, interest for period between actual interest payment date and the Effective Date will be paid in normal course in next interest payment date cycle. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. If the maturity date of the debt securities, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day.
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.
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, 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.
Interest on Application Money	Please refer to the section titled "*Issue Structure*" on page 137 of this Draft Shelf Prospectus.
Put/Call Option 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 each Tranche Issue. 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.
Transaction documents	Issue Agreement dated May 4, 2018 between our Company and the Lead Managers; Registrar Agreement dated May 4, 2018 with the Registrar to the Issue; Escrow Agreement dated • with the Escrow Collection Banks/ Refund Banks; Lead Broker Agreement dated • with the Lead Brokers; Debenture Trustee Agreement dated May 4, 2018 executed between our Company and the Debenture Trustee and the agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee. For further details, please refer to "Material Contracts and Documents for Inspection" on page 204 of this Draft Prospectus.
Conditions precedent and subsequent to the Issue	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Events of default	Please refer to the section titled "Issue Structure " on page 137 of this Draft Shelf Prospectus.
Cross Default	Please refer to the section titled "Issue Structure " on page 137 of this Draft Shelf Prospectus.
Roles and responsibilities of the Debenture Trustee	Please refer to the sections titled "General Terms of the Issue" on page 131 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 terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation, if the NCDs were originally issued in dematerialised form.*

***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 Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., 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 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. 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. 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. 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 page 150 of this Draft Shelf Prospectus under section "*Issue Procedure*" 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 the date of this Draft Shelf Prospectus is set forth below:

		Amount in ₹
A	**Authorised share capital**	
	30,00,000 Equity Shares of ₹ 10.00 each	3,00,00,000.0
	20,00,000 Preference Shares of ₹ 10.00 each	2,00,00,000.0
	TOTAL	**5,00,00,000.0**
B	**Issued, subscribed and paid-up share capital**	
	24,99,500 Equity Shares of ₹ 10.00 each	2,49,95,000.0
C	**Securities Premium Account**	881,15,52,215.0

Note: Out of the above issued, subscribed and paid up share capital, 150 Equity Shares are held in physical form.

This Issue will not result in any change of the paid up share capital and Securities Premium Account of the Company.

Changes in the authorised share capital of our Company as of the date of this Draft Shelf Prospectus

Details of increase in authorised share capital since incorporation

S.No.	Particulars of increase	Date of Shareholders' meeting	AGM/EGM
1.	Increase in authorised share capital from ₹ 1,00,000.0 to ₹ 5,00,000.0 divided into 50,000 Equity Shares of ₹ 10.00 each	June 9, 1980	EGM
2.	Increase in authorised share capital from ₹ 5,00,000.0 to ₹ 5,00,00,000.0 divided into 30,00,000 Equity Shares of ₹ 10.00 each and 20,00,000 Preference Shares of ₹ 10.00 each	October 30, 2014	EGM

Notes to capital structure

1. ***Share capital history of the Company***

   (a) Equity Share capital history of the Company as of the date of this Draft Shelf Prospectus

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)
On incorporation	7	10.00	10.0	Cash	Allotment to Subscribers(1)	7	70.00
September 9, 1980	49,993	10.00	10.0	Cash	Initial Public Offer(2)	50,000	5,00,000.0
November 3, 2014	12,00,000	10.00	2,870.0	Cash	Rights Issue(3)	12,50,000	1,25,00,000.0
November 20, 2014	4	10.00	4,320.0	Cash	Private Placement(4)	12,50,004	1,25,00,040.0
February 9, 2017	12,15,292	10.00	-	-	Conversion of CCPS into Equity	24,65,296	2,46,52,960.0

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)
					Shares(5)		
July 21, 2017	34,204	10.00	-	-	Conversion of CCPS into Equity Shares(6)	24,99,500	2,49,95,000.0

1. *Allotment of Equity Shares to Navinchandra Kampani (1), Mahendrakumar Kampani (1), Nimesh Kampani (1), Aruna Kampani (1), Nalin Mehta (1), Lila Mehta (1) and Belman Anchan (1).*

2. *Allotment of Equity Shares to several applicants pursuant to Initial Public Offer (49,993)*

3. *Allotment of Equity Shares on rights basis to JMFL (12,00,000).*

4. *Allotment of Equity Shares pursuant to private placement offer to INH Mauritius 1 (4).*

5. *Allotment of Equity Shares upon conversion of CCPS held by INH Mauritius 1(12,15,292).*

6. *Allotment of Equity Shares upon conversion of CCPS held by Ms. Aparna Aiyar (34,204).*

(b) Preference Share capital history of the Company as of the date of this Draft Shelf Prospectus

Date of allotment	No. of Preference Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Nature of allotment	Cumulative no. of Preference Shares	Cumulative paid-up share capital (₹)
November 20, 2014	12,49,496	10.00	4,320.00	Cash	Private Placement(1)	12,49,496	1,24,94,960.0
February 9, 2017	(12,15,292)	10.00	-	-	Conversion of CCPS into Equity Shares(2)	34,204	3,42,040.0
July 21, 2017	(34,204)	10.00	-	-	Conversion of CCPS into Equity Shares(3)	0	0.0

1. *Allotment of 12,15,292 CCPS to INH Mauritius 1 and 34,204 CCPS to Ms. Aparna Aiyar on private placement basis.* (12,49,496).

2. *Conversion of CCPS held by INH Mauritius 1 into Equity Shares (12,15,292).*

3. *Conversion of CCPS held by Ms. Aparna Aiyar into Equity Shares (34,204).*

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

Share holding pattern of our Company as on March 31, 2018

Summary Statement Holding of Equity Shareholders

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	7*	12,50,000	12,50,000	50.0100	0	0.0000	12,49,850
(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)	**7***	**12,50,000**	**12,50,000**	**50.0100**	**0**	**0.0000**	**12,49,850**
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)	**7***	**12,50,000**	**12,50,000**	**50.0100**	**0**	**0.0000**	**12,49,850**
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

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)	
(i)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	Sub Total (B)(1)	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**
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							
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	1	34,204	34,204	1.3684	0	0.0000	34,204
	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	1	12,15,296	12,15,296	48.6216	0	0.0000	12,15,296
	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)	**2**	**12,49,500**	**12,49,500**	**49.9900**	**0**	**0.0000**	**12,49,500**
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	**2**	**12,49,500**	**12,49,500**	**49.9900**	**0**	**0.0000**	**12,49,500**
C	**Total Non-Promoter-Non Public Shareholding**							

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)	
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	**9**	**24,99,500**	**2,499,500**	**100**	**0**	**0.0000**	**24,99,350**

**Out of 12,50,000 Equity Shares held by JM Financial Limited (JMFL), 150 Equity Shares are held by it jointly with six other individuals and hence, the promoter is only one entity viz., JMFL and not seven promoters.*

Our top ten shareholders and the number of Equity Shares held by them as on March 31, 2018 is as follows:

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	12,50,000*	12,49,850	50.0100
2.	INH Mauritius 1	12,15,296	12,15,296	48.6216
3.	Ms. Aparna Aiyar	34,204	34,204	1.3684
	TOTAL	**24,99,500**	**24,99,350**	**100%**

*inclusive of 150 Equity Shares held in physical form, which are jointly held by JMFL along with 6 nominees

The list of top ten debenture holders as on March 31, 2018 is as follows:

S. No.	Name of holder	Aggregate amount (in ₹ million)	Address of the debenture holders*
1	UTI Mutual Fund	5,838.0	UTI Asset Management Company Limited, Department of fund accounts, UTI Tower, GN block, Bandra Kurla Complex, Bandra East, Mumbai - 400051
2	HDFC Mutual Fund	4,250.0	HDFC Bank Limited Custody Services, Lodha I Think Techno Campus Off, Floor 8, next to Kanjurmarg Railway Station, Kanjurmarg East, Mumbai - 400042
3	Reliance Mutual Fund	2,775.0	Deutsche Bank AG, DB House, Hazarimal Somani Marg, P.O.Box No. 1142, Fort, Mumbai - 400001
4	Aditya Birla Mutual Fund	1,900.0	CITIBANK N.A. Custody Services, FIFC- 11th Floor, G Block, Plot C-54 and C-55, Bandra Kurla Complex, Bandra (East), Mumbai - 400098
5	Canara Bank	1,750.0	Treasury & Investment Division, Integrated Treasury Wing, 6th Floor, Canara Bank Building, C-14 G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
6	Bank of Baroda	1,000.0	Specialized Integrated Treasury Branch, BST,4th and 5th Floor, C-34 G-Block, Bandra Kurla

S. No.	Name of holder	Aggregate amount (in ₹ million)	Address of the debenture holders*
			Complex, Mumbai - 400051
7	IDFC Mutual Fund	850.0	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort, Mumbai - 400001
8	The Ratnakar Bank Ltd	500.0	Floor 6th, One Indiabulls Centre Tower 2, 841 Senapati Bapat Marg, Elphinstone, Mumbai - 400012
9	Bank of India	500.0	Treasury Branch, Head office, Star House,7th Floor, C-5,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
10	Harsh Anand Jain	500.0	B 37 Sterling Apartments, 38 Peddar Road, Cumballa Hill, Mumbai - 400026

** The addresses of the debenture holders have been obtained from the beneficiary position statement made available by the RTA viz., Karvy Computershare Private Limited.*

Debt to equity ratio

The debt to equity ratio prior to this Issue is based on a total outstanding debt of ₹ 55,488.0 million and shareholder funds amounting to ₹ 17,415.6 million as on March 31, 2018. The debt to equity ratio post the Issue (assuming subscription of NCDs aggregating to ₹ 20,000 million) would be 4.33 times, based on a total outstanding debt of ₹ 55,488.0 million and shareholders funds of ₹ 17,415.6 million as on March 31, 2018.

(in ₹ million)

Particulars	Prior to the Issue (as of March 31, 2018)	Post the Issue
Long Term borrowings	47,084.3	67,084.3
Short Term borrowings	8,403.7	8,403.7
Total Debt	55,488.0	75,488.0
Share Capital	25.0	25.0
Reserves	17,390.6	17,390.6
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)		
Total Shareholders' Funds	17,415.6	17,415.6
Debt Equity Ratio (No. of Times)[#]	3.2	**4.3**

[#]The debt-equity ratio post the Issue is indicative and is on account of assumed inflow of ₹ 20,000 million from the Issue in the secured debt category as on March 31, 2018. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

For details on the total outstanding debt of our Company, please refer to the section titled "*Disclosures on Existing Financial Indebtedness*" beginning on page 117 of this Draft Shelf Prospectus.

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

There is no change in the Promoter holding in our Company during the last financial year. However, the total promoter holding in terms of percentage reduced from 50.7039% to 50.0100% pursuant to conversion of 34,204 CCPS held by Ms. Aparna Aiyar into equal number of Equity Shares of the Company. Further, the Promoter holding is in compliance with the threshold limit of beyond 26% as prescribed by RBI.

The Company does not have an ESOP Scheme in place.

OBJECTS OF THE ISSUE

Issue proceeds

Public issue by the Company of Secured NCDs of face value ₹ 1,000 each and Unsecured NCDs of face value ₹ 1,000 each ("**NCDs**"), for an amount aggregating upto ₹ 20,000 million ("**Shelf Limit**") hereinafter referred to as the "**Issue**". The Unsecured NCDs 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 a "**Tranche Issue**"). The issue is being made pursuant to the provisions of the SEBI Debt Regulations, the Companies Act, 2013 and rules made thereunder as amended to the extent notified.

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

Particulars	Estimated amount (in ₹ million)
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.

The Unsecured NCDs will be in the nature of Subordinated Debt and will be eligible for Tier II capital and accordingly will be utilised in accordance with statutory and regulatory requirements including requirements of RBI.

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 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 high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest 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.

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 ordinary 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 in Draft Shelf Prospectus

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 the 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.

STATEMENT OF TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

The Board of Directors
JM Financial Credit Solutions Limited
7th Floor, Cnergy, Appasaheb Marathe Marg
Prabhadevi, Mumbai
Maharashtra 400 025
India

Dear Sirs,

Sub: Statement of possible Tax Benefits under Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, available to Debenture Holders of JM Financial Credit Solutions Limited ("Company") in connection with proposed issue of Non-Convertible Debentures ("Issue")

We refer to the proposed issue of Non-Convertible Debentures by the Company. We enclose herewith the statement showing the current positions of 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 the financial year 2018-19. Several of these benefits are dependent on the Company and its debenture holders fulfilling the conditions prescribed under the relevant provisions of the I.T. Act. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilling such conditions.

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

The benefits discussed in the enclosed Annexure are not exhaustive. 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 the Draft Shelf Prospectus, Shelf Prospectus and/or Prospectus and/or Tranche Prospectus(es) (collectively the "**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 and 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 provided 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 tax benefits available to the Company and to its debenture holders in the Offer Documents for the Issue which the Company intends to file to the BSE Limited, the National Stock Exchange of India 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 provided that the below statement of limitation is included in the Offer Documents.

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. Reliance on the statement is on the express understanding that we do not assume responsibility towards the debenture holders who may or may not invest in the Issue relying on the statement.

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, May 3, 2018

ANNEXURE

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 not 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. Securities Transaction Tax ("STT") is a tax levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. STT is not applicable on transactions in the debentures.

6. 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 dematerialised form and is listed on recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
7. Interest on application money and interest on refund application 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 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 exempted 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 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 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 benefits 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 between June 1, 2013 and 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 authorised 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 Sections 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 exempted earlier would become chargeable to 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 the 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 holder 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 exempted earlier would become 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).

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:

1. The statement of tax benefits enumerated above is as per the Income-tax Act, 1961, as amended by the Finance Act, 2018.
2. 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.
3. 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.
4. 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.

5. Surcharge is levied on every company other than domestic company at the rate of 2% on tax where the income exceeds Rs. 1 crore but does not exceed Rs. 10 crores and at the rate of 5% on tax where the income exceeds Rs. 10 crores.
6. Health and Education Cess is to be applied at 4% on aggregate of base tax and surcharge.
7. 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.

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 "Industry report on assessment of various financial products and services in India" dated January, 2018 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 "Business" on pages 13 and 82, respectively.*

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MACROECONOMIC OVERVIEW

In recent years, India's economic growth has primarily been driven by consumption, while investment has been decelerating. GDP (at constant Fiscal 2012 prices) grew at a 6.9% compounded annual growth rate ("**CAGR**") between Fiscal 2012 and Fiscal 2017. It grew at a slower pace between Fiscal 2012 and Fiscal 2014, mainly because of sluggish income growth, persistently rising inflation and high interest rates. Industrial output grew at a slower pace, impacting GDP growth. After Fiscal 2014, improving industrial activity, lower crude oil prices and supportive policies led to a recovery in GDP growth. The growth slowed down in Fiscal 2017, due to demonetisation, reduced private investment and slower global growth.

CRISIL Research believes the GST related disruption would limit the growth upside for a few quarters, as there are uncertainties around the impact on the existing tax regime. At the same time, the benefit of extremely low commodity prices last year may not be available to corporates this year, and hence the bottom lines may remain under pressure. Factors such as the falling trade intensity of growth, geopolitical risks and uncertainties surrounding the pace of normalisation of monetary policy in advanced nations, and appreciation of the rupee indicate that contribution of exports to domestic economic growth will be limited. Overall, GDP growth in

Fiscal 2018 is estimated at 6.5%, compared to 7.1% in the previous Fiscal, with downside risks in the form of GST related disruptions.

The pace of economic growth is expected to improve in the medium term, as structural reforms, such as GST and the bankruptcy code, aimed at de-clogging the economy and raising the trend rate of growth begin to have an impact on the economy. Assuming that the monetary and fiscal policies remain prudent, these reforms would lead to efficiency gains and improve the prospects for sustainable high growth in the years to come. Improving macroeconomic environment (softer interest rate and stable inflation), urbanisation, rising middle class, and business-friendly government reforms will drive growth in the long term. As per the IMF, the Indian economy is projected to grow at a 7.7% CAGR over the next five years. Growth will be higher than many emerging as well as developed economies, such as Brazil, Russia and China.

At approximately 58%, private consumption is the largest contributor to India's GDP. To gauge private consumption, nominal per-capita GDP is used as a proxy. Nominal per-capita GDP growth slowed until Fiscal 2016. However, it picked up in Fiscal 2017, rising 9.6% year-on-year compared with 8.6% in Fiscal 2016.

Key fundamental growth drivers

India has second-largest population. As per Census 2011, India's population was about 1.2 billion, and comprised nearly 246 million households. The population, which grew nearly 18% between 2001 and 2011, is expected to increase about 11% between 2011 and 2025, to 1.4 billion. (*Source: United Nations Department of Economic and Social affairs, CRISIL Research).*

Favorable demographics. Currently, India is one of the nations with the highest young population, with a median age of 28 years. Comparatively, the US, China and Brazil had 74%, 62% and 78% of their population below the age of 60 (as of calendar year 2012). CRISIL Research expects that a large share of the working population, coupled with rapid urbanisation and rising affluence, will propel growth of the Indian financial services sector. **(***Source: United Nations Department of Economic and Social affairs, CRISIL Research).*

Rise in urbanization. India has a very low urbanisation rate compared to its Asian peers such as China, Japan and Thailand. CRISIL Research expects the urbanisation to accelerate, translating in to 2.0 to 2.5% CAGR in the urban population between 2017 and 2022, compared to overall population growth of 1.2% during the same period. Further, the increase in urbanisation will also aid the increase in per-capita GDP, as also suggested during the previous five years. Comparing the increase in urban population to rise in per-capita GDP for India and other Asian peers also highlights the strong positive correlation between urbanisation % and GDP per capita.

Demand for financial products from semi-urban and rural areas too are growing at a fast pace. With increasing financial literacy, mobile penetration, awareness and financial inclusion bank accounts have led to an increase in the participation of individuals from non-metro cities. CRISIL Research expects technology to progressively reduce the cost of reaching out to smaller markets; this, along with higher awareness, should continue to lead to strong growth in the smaller markets.

(Source: CRISIL Report)

Savings Scenario

The financial sector being the key beneficiary of improved economic conditions and changing savings pattern, growth was observed across asset classes with equity market ADTO, mutual fund AUM and insurance premium increasing at a CAGR of 25.6%, 28.2% and 8.4% between fiscal 2014 and fiscal 2017. Going forward the trend of increased household savings moving towards financial assets is expected to continue. *(Source: CRISIL Report)*

NBFC OVERVIEW

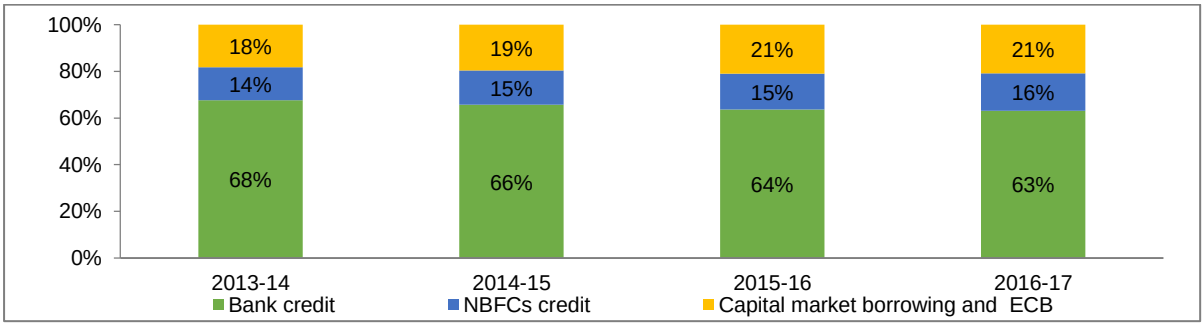
A non – banking finance company ("**NBFC**") is a company registered under the Companies Act, 1956/2013 and is engaged in the business of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by Government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, sale/purchase/construction of immovable property. A non-banking institution which is a company and which has its principal business of receiving deposits under any scheme or arrangement or any

other manner, or lending in any manner is also a non-banking financial company (Residuary non-banking company). It is mandatory that every NBFC should be registered with RBI to commence or carry on any business of non-banking financial institution as defined in clause (a) of Section 45 I of the RBI Act, 1934. All NBFCs are not entitled to accept public deposits. Only those NBFCs holding a valid Certificate of Registration with authorisation to accept public deposits can accept/hold public deposits. NBFCs authorised to accept/hold public deposits besides having minimum stipulated net owned fund should also comply with the directions such as investing part of the funds in liquid assets, maintain reserves, rating etc. issued by the Bank *(Source: RBI)*. As of January 31, 2018, there were 168 NBFCs in India permitted to accept public deposits (*Source:* http://www.rbi.org.in/scripts/NBFC_Pub_lic.aspx). Further, as of January 31, 2018, there were 11,055 NBFCs in India that do not accept public deposits *(Source:* http://www.rbi.org.in/scripts/bs_nbfclist.aspx*)*.

India's financing requirements have increased with the economy's notable growth over the past decade. Non-banking financial companies ("**NBFCs**") have played a major role in meeting this need, complementing banks and other financial institutions. NBFCs provide financial services with respect to products as well as customer and geographic segments at the grassroots level, making them essential in the financial machine. They cater to the unbanked masses in rural and semi-urban areas, and lend to the informal sector. This key service has enabled the government and regulators to realise the mission of financial inclusion. As of March 2017, they accounted for 16% of the overall systemic credit.

Going forward, NBFCs will have to focus on their core strengths, diversify their portfolio, and create a niche with new offerings to help them grow in the competitive financial market. There is significant scope for NBFCs to not only gain market share but also enter newer areas, as PSBs have been struggling with maintaining asset quality over the past few years.

NBFCs share in systemic credit growing steadily



Note:
1. Banks' credit includes outstanding of Regional Rural Banks (RRBs) and Cooperative banks;
2. Capital market borrowing and External Commercial Borrowing (ECB) includes corporate bond, commercial papers outstanding; but excludes amount raised by banks & NBFC
Source: RBI, SEBI, Company Reports, CRISIL Research

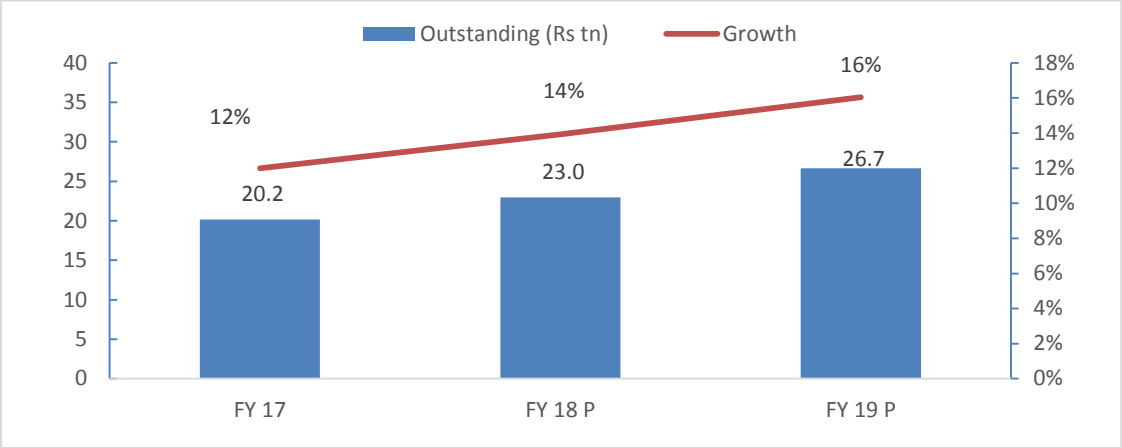
NBFC credit has grown at an impressive pace

The outstanding credit of NBFCs expanded at a CAGR of 19% since Fiscal 2012, although this growth has not been uniform across segments. CAGR of the top four segments i.e. housing, infrastructure, auto and loans against property are 21%, 13%, 19% and 31%, respectively. The Micro, Small and Medium Enterprises and microfinance recorded impressive CAGR of 39% and 42%, respectively. For construction equipment and gold finance, growth has been at 1% to 2%. Consumer durables and educational loans are the segments that are growing fastest albeit from a low base.

NBFCs to grow at a modest 15% CAGR over next two years

CRISIL Research estimates the loan book of NBFCs to post 15% CAGR between Fiscal 2018 and Fiscal 2019. NBFCs have gained market share at the expense of banks owing to focused lending, widening reach, and resource-raising ability. With slowing corporate demand for loans, banks have shifted their focus to retail assets, thereby increasing competition for NBFCs. In CRISIL Research's view, low penetration in Tier-II and Tier-III cities, product and process innovation, and continued focus on core businesses will be the key enablers for steady growth for NBFCs.

NBFCs outstanding loans to pick up in medium term



Source: CRISIL Research

Competitive positioning of NBFCs in different segments

NBFC segment	Competitive positioning
Housing Finance	Competitive interest rates, better customer service; focusing on higher yielding segments like Loan against property and developer loans
Auto finance	Catering to relatively less credit worthy customers, strong presence in used vehicles, faster processing, lower documentation, customized offering
Gold loans	Higher LTV, lower turn-around-time, lower documentation, niche focus enables them offer better customer experience
LAP + MSME	Strong origination skills, superior customer knowledge, better collection mechanisms, faster loan processing, cash flow based credit appraisal
Construction equipment finance	Focus on Hirer/Retail segment, higher LTV offering, wide reach, flexibility in repayment, simple documentation, doorstep collection, lower turnaround time
Microfinance	Extensive reach, lower interest rates as compared to local money-lenders
Wholesale finance	Strong origination skills, Customized product offering and focus on real estate funding and structured products

Source: CRISIL Research

Key enablers of growth for NBFCs

Aggressive approach to tap the underserved segment: Formal finance penetration in India has been very low mainly because of non-availability of financing options in rural or semi-urban areas, where the majority of funding needs were fulfilled by the moneylenders and other informal channels. NBFCs aggressively tapped this space as banks were reluctant to provide loans due to higher risk.

Niche focus: Banks focus on a range of asset classes to provide loans, but NBFCs are specialised in certain segments and thus are better able to focus on those. Niche market and customer segmentation have helped NBFCs develop a unique methodology leading to an increase in market share. NBFCs also offer loans to unorganised and small players in the market. These players lack proper books of accounts, but NBFCs consider these unorganised players by their cash-flow generating potential of businesses.

Understanding the market and customizing product to customer needs: As NBFCs focus on certain geography or asset classes, they are better able to understand the market economics, regional culture and customer needs. Unlike banks, NBFCs focus less on a rule based and more on a customised lending approach, where they understand customer requirements and assess their repayment ability.

Cautious lending by banks due to asset quality and capital adequacy concerns: Banks are facing higher gross NPAs in their corporate loan books thus are cautious in lending aggressively to some sectors. CRISIL Research expects this situation to continue for some time. Also, the requirement of higher capital adequacy norms deter them from taking higher exposure in certain sectors. NBFCs are capitalising on this opportunity and increasing their market share.

Higher LTV: NBFCs' offer higher loan amounts against a security when compared to banks. If a top-up is required due to some contingency NBFCs' are more responsive and quicker to help with less or no additional collateral.

Lower turnaround time: In the case of immediate requirement of funds for operations or for buying machinery for production or for working capital requirement, the loan processing time taken by NBFCs is lesser than banks.

Less stringent documentation requirements: NBFCs' require less documentation and the loan appraisal process is efficient. NBFCs offer doorstep services and help the clients through the entire process.

Retail loan outstanding share is increasing from outside the top 10 cities: The total retail loan outstanding share of outside the top-10 cities has increased steadily between Fiscal 2011 and 2016 primarily led by increasing housing loan and auto demand from the tier-II and lower cities. CRISIL Research expects the share of top-10 cities to further reduce supported by higher affordable housing projects coming into smaller cities as well as increasing vehicle loan demand.

(Source: CRISIL Report)

Key growth enablers for retail finance segment

Aadhaar to prevent identity fraud: The Unique Identification Authority of India (UIDAI) was established on January 28, 2009, after a notification was issued by the Planning Commission with the target to issue an Aadhaar number to every resident of India. The Aadhaar number will be used to verify the identity of a person receiving a subsidy or a service. Aadhar number will help financial institutions establish the identity of the borrower and thus prevent any kind of identity fraud by the borrower.

Credit risk mitigation by credit bureaus: Credit bureaus such as TransUnion, CIBIL Limited (formerly Credit Information Bureau (India) Limited), Equifax and Highmark are engaged in collecting data from several financial institutions and building a comprehensive database that captures the credit history of borrowers. These databases are updated on a weekly basis. Availability of this data gives the financial institution complete information of the credit history of the potential borrower and thus helps in preventing fraud. Knowledge of the fact that present credit transactions will have an impact on availability of credit in future will foster a culture of credit compliance among borrowers.

Digitization to facilitate credit appraisal process and reduce credit costs: Financial institutions take some form of collateral against the loan they grant. Many times this collateral is the immovable property of the company or its owners. Analysing the property documents in physical form and confirming their authenticity is a time consuming, cost intensive and tedious task for the financial institutions. The government of India has taken steps to facilitate e-registration of immovable properties in India. E-registration has provided a lot of transparency pertaining to property details and will thus facilitate credit appraisal process of financial institutions and help them control costs.

(Source: CRISIL Report)

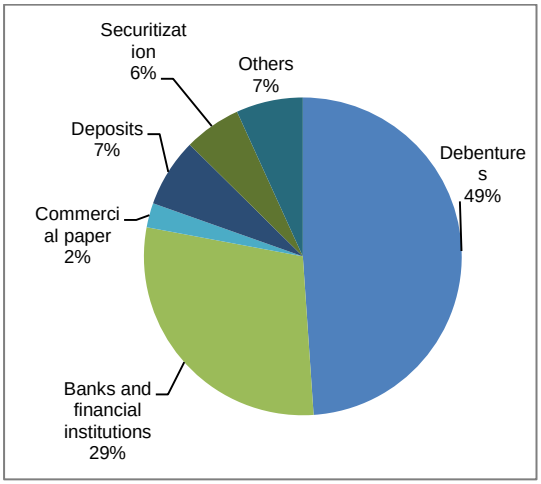
Liability/resources profile of NBFCs

NBFCs have reduced dependence on banks for funding

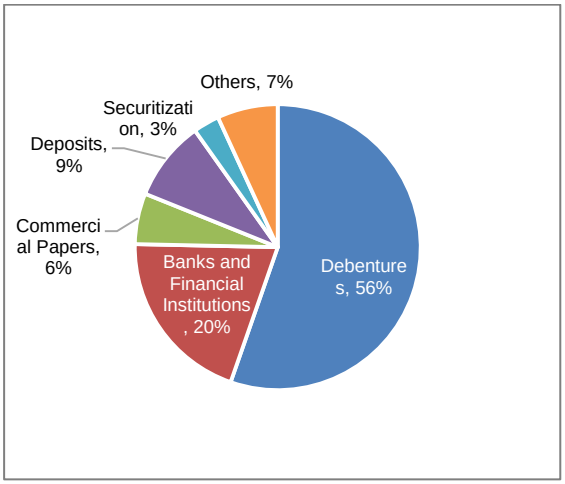
The banking system is one of the major sources of funding for NBFCs, both directly and indirectly (securitisation), accounting for almost a third of the borrowings (see figure below). But over the years, NBFCs have increased their borrowing from the bond market. As a result, their cost of borrowing has reduced since yields are more than 100 basis points lower than bank lending rates.

NBFCs funding debentures are major source:

Source of funding in Fiscal 2013



Source of funding in Fiscal 2017



Others include inter-corporate borrowings, subordinated debt, borrowings from government, etc.
Source: RBI, CRISIL Research

Key regulatory distinction between NBFC and banks

Given the importance of NBFCs in financial system, especially in accessing public funds and inter-connectedness with banking, they are subject to prudent regulations by the RBI. Further, rapid growth of NBFCs has gradually blurred dividing lines between banks and NBFCs. While the regulations are moving towards a convergence of norms for banks and NBFCs, there are certain differences in statutory liquidity ratio ("**SLR**") requirements, applicability of cash reserve ratio ("**CRR**") and priority sector norms. The Union Budget Fiscal 2016 allowed NBFCs with an asset base of ₹ 500 crore and above to use the SARFAESI Act in respect of loans worth ₹ 1 crore and above, thus enabling them to reduce their NPAs by adopting measures for recovery or reconstruction.

NBFCs lend and make investments similar 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.

In January 2014, the RBI aligned loan restructuring norms of NBFCs with those of banks. The guidelines are applicable for all NBFCs in corporate debt restructuring (CDR) as well as non-CDR (bilateral) cases. The guidelines stipulate provisioning to be increased to 5% for fresh accounts (flow) with immediate effect while in case of stock; the provisioning has to gradually increase to 5% by Fiscal 2018. Restructuring of accounts were withdrawn from April 1, 2015, and any change in terms/conditions of lending with regards to interest rate and tenure would be considered as restructuring (except in cases where delay is on account of extension in date of commencement of commercial operations). Even gross NPA recognition norms will be aligned with those of banks by March 31, 2018.

New provisioning requirement for NBFCs

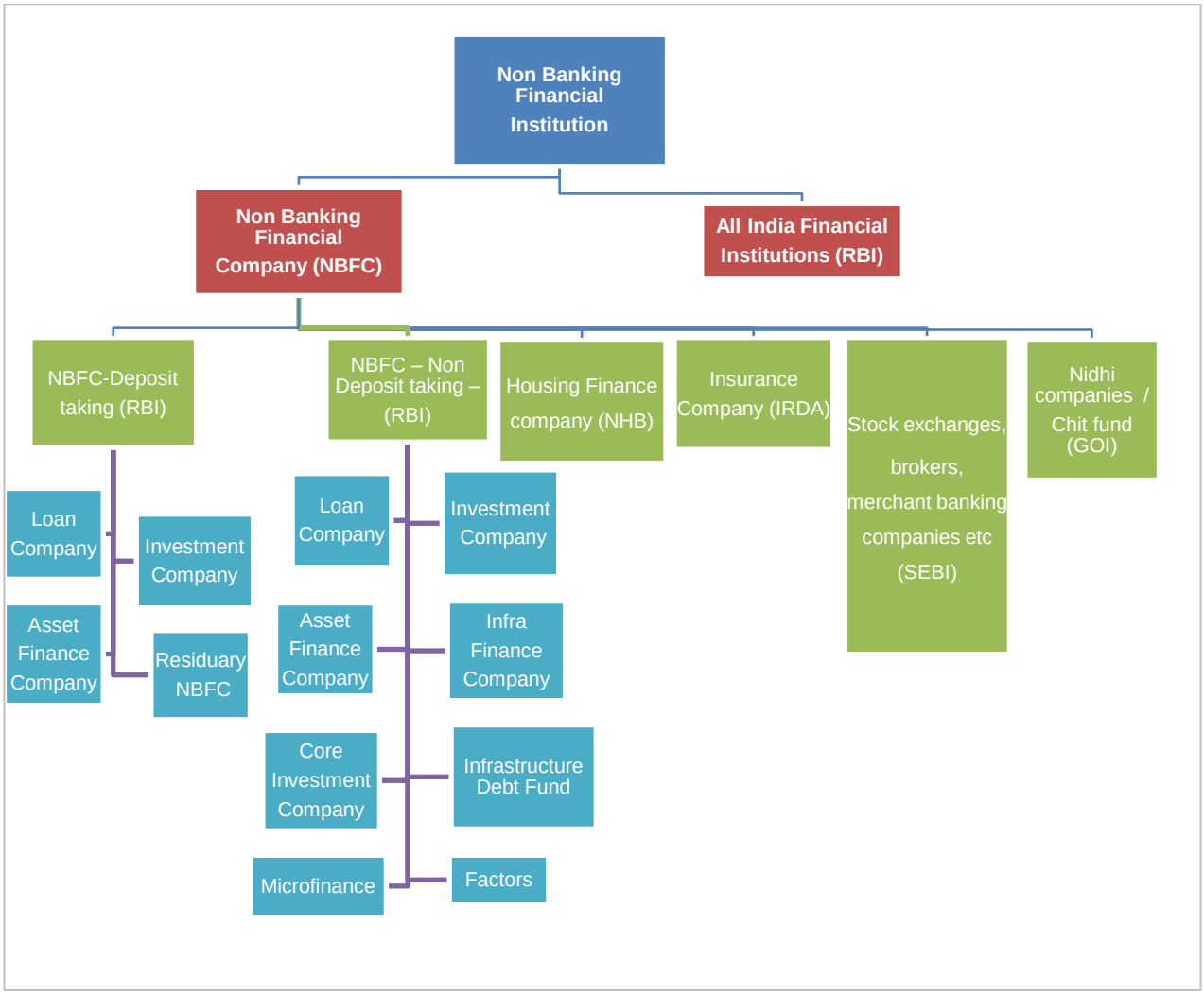
Particulars	Provisioning requirements
On Stock of loans class as restructured as of March 31, 2015	
- as of March 31, 2015	2.75%
- as of March 31, 2016	3.50%
- as of March 31, 2017	4.25%
- as of March 31, 2018	5%
On fresh loans sanctioned+ restructured after March 31, 2015	5%

(Source: CRISIL Report)

Constituents of NBFC industry in India

The Indian financial system includes banks and non-banking financial institutions. Though the 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 institutions in India



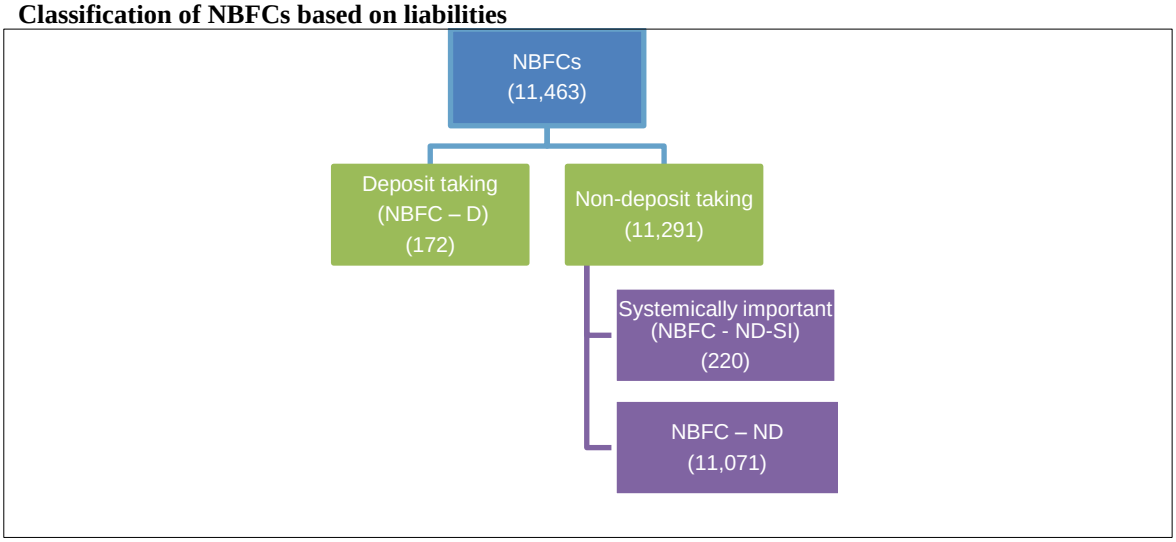
Note: The regulatory authority for the respective institution is indicated within the brackets.
All-India financial institutions include NABARD, SIDBI, and EXIM Bank.
Source: RBI, CRISIL Research

Classification of NBFCs

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

Further, in 2015, non-deposit-taking NBFCs with an asset size of ₹ 500 crore 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 the number of entities registered with RBI as of August 2017.
Source: RBI, CRISIL Research

Key Risks

Increasing competition: Over the past few years, competition from banks have been steadily increasing for NBFCs. Banks are saddled with high NPAs from corporate loans and have thus shifted their focus to retail loans. With lower cost funds available at their disposal as compared to NBFCs, banks have the ability to increase their customer base at a fast pace.

Less creditworthy customers: Customers with a strong financial profile demand a lower rate of interest on credit. NBFCs cannot compete with banks on the interest rate factor. Thus, NBFCs have a tendency to lend to relatively less credit worthy customers.

Highly susceptible to economic downturns: NBFCs concentrate on weaker customer profiles (customers have single stream of cash flows) compared with banks as these customers are very susceptible to economic downturn. If the trough phase extends they do not have enough financial reserves to overcome the slack period.

Concentration risks: NBFCs generally focus on a few asset classes and/or customer segments while lending. If the asset class or customer segment faces any kind of downturn, the business of the NBFC would be affected to a great extent. For example, if the gold loans segment faces any downturn there would be heavy repercussions for NBFCs which specialise in loans against gold.

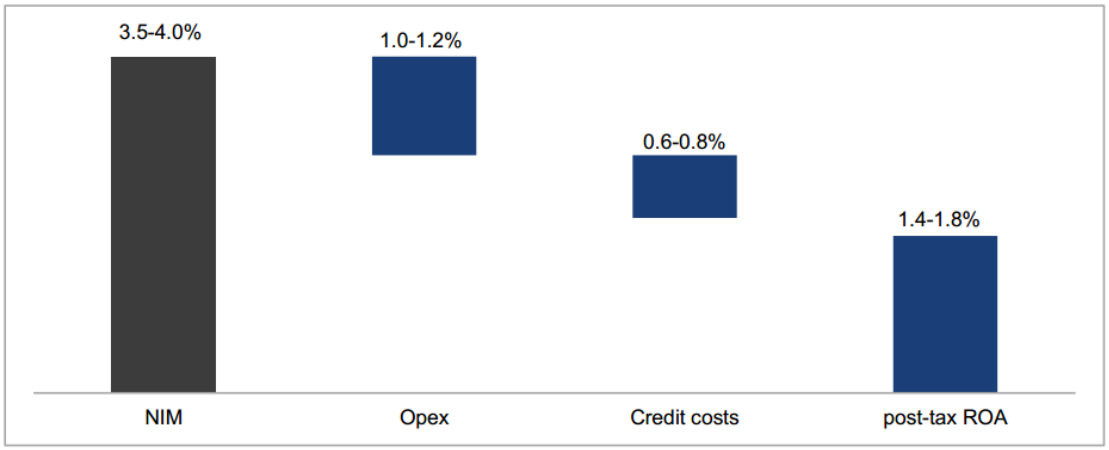
Entry of small finance banks: The RBI has granted licenses to small finance banks (SFBs), and mandates that SFBs allocate 75% of their loans towards priority sector lending. The entry of SFBs will result in increased competition for NBFCs. RBI has mandated SFBs to open 25% of their branches in unbanked rural areas, and 50% of their loans must be in the ₹ 25 lakh range. SFBs could thus affect small ticket lending of NBFCs.

LOAN AGAINT PROPERTY ("**LAP**")

LAP is a secured loan which is provided solely on the basis of security of property (commercial, residential, industrial properties or plot) of the loan applicant. While these loans are generally used for business purposes, no other business collateral (equipment, stocks) is taken. In LAP market NBFCs and HFCs accounted for 51% of the share as of March 2017.

Profitability of NBFCs and HFCs in LAP lending: Lower post-tax RoA a result of pressure on yield, rise in operating and credit costs

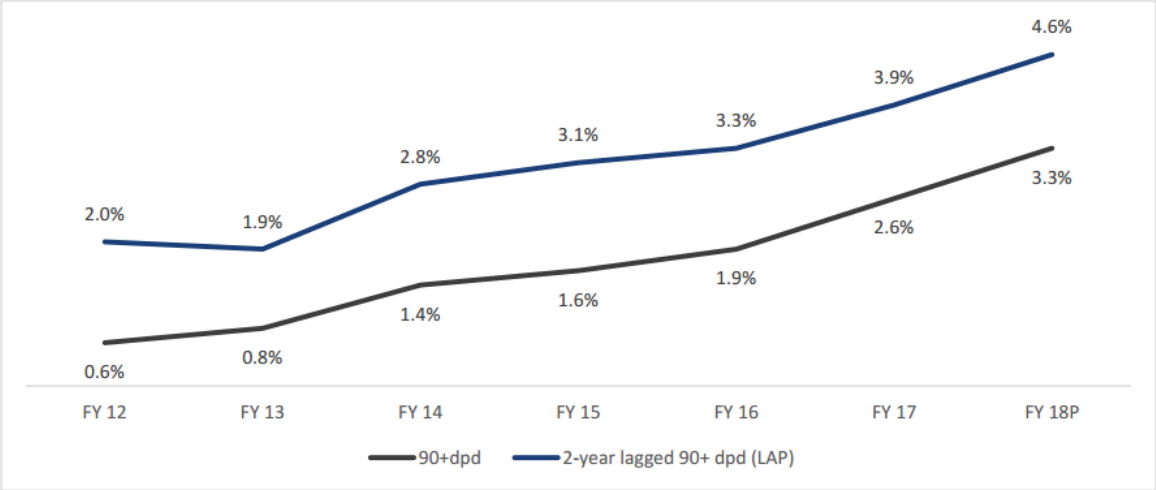
Profitability as of fiscal 2017



Source: CRISIL Research

Post-tax return on assets declined in fiscal 2017 due to pressure on yields as well as increase in credit cost by 30-40 bps. Increasing cases of balance transfer with higher top-up has also impacted asset quality. Operating expense for players offering LAP is higher despite the bigger ticket size, as they have to pay higher commissions to DSAs. Also pushing up operating expenses is expansion into lower-tier cities (where average property prices are lower). About 65-70% of the LAPs given by NBFCs and HFCs are sourced through DSAs. Credit costs are also high for LAP financiers, as borrowers have a risky credit profile and the end-use is not monitored.

Trend in GNPAs for LAP



Source: CRISIL Ratings, CRISIL Research

Challenges faced by financiers

Increasing proportion of higher risk commercial properties in case of LAP

Over the past decade, the share of loans against commercial properties has increased. Although these loans are offered at low LTVs, the risk of delinquency is higher. This is because of the absence of an emotional attachment for the borrower, as in the case of a residential property, which could prompt the borrower to repay the loan.

High balance transfer in case of LAP

Since last couple of years as the interest rates softened, the share of balance transfer (BT) recorded higher growth. In top 20 cities share of BT in LAP is significantly higher. In BT, new lenders offer top-up on the amount of loan that is transferred (at higher LTV), and lower rate of interests to attract customers from competitors. This has made the LAP portfolio riskier. A sustained rise in BT will be detrimental as it may lead to rise in delinquencies in LAP.

About one-third of portfolio at either high-ticket size or high LTV for LAP

Although LTVs are mostly limited to ~ 65%, some financiers also offer loans at higher LTVs (as high as 75%). This reduces the borrower's equity, consequently reducing the financier's cushion, increasing the risk of under-recovery in case of repossession. Lack of proper standards for valuing properties leads to the risk of over-valuation of properties, which could also lead to under-recovery on sale after repossession. Increased focus of financiers on lowering the turnaround time could also prompt players to reduce dependence on external independent valuers.

Non-standardised property valuation for LAP

Non standardised or decentralised valuation methodology may sometimes lead to over valuation, especially in smaller cities where differences in valuation between two valuers can be significant.

Challenges in liquidating collateral in case of LAP

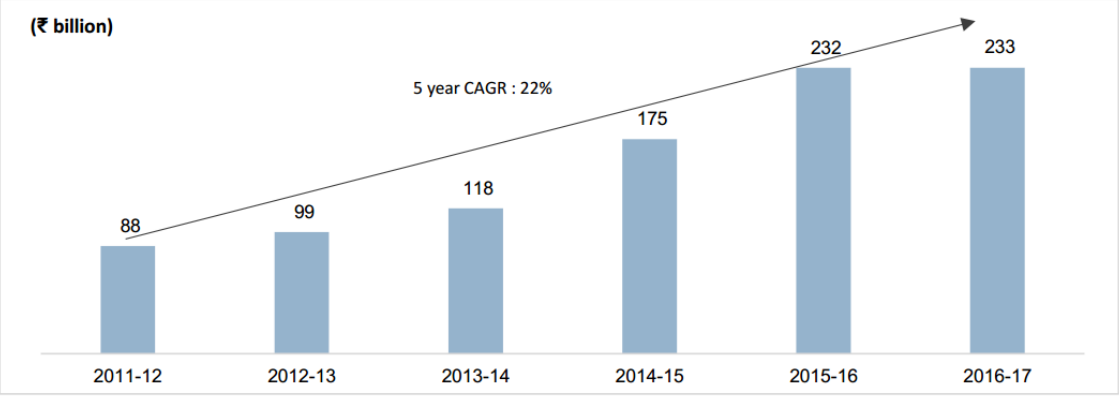
Real estate as a collateral can often be difficult to liquidate. This increases the cost and time required to dispose of a repossessed collateral. This could be even higher in the case of high ticket-sized loans, typically exceeding ₹ 20 million. Borrowers can also use legal loopholes to lengthen the recovery process.

LOAN AGAINST SHARES ("LAS")

LAS lending to pick up buoyed by bullish market sentiments

The segment's outstanding grew by 22% CAGR between fiscal 2012 and fiscal 2017, mainly on account of strong growth in capital markets. Key equity markets like BSE and NSE 50 recorded growth of CAGR 13% each between fiscal 2012 and fiscal 2017. CRISIL Research expects that with a spate of IPOs issued in first half of fiscal 2018 and to be issued in second half of fiscal 2018 (as expected by CRISIL Research), growth in the market will pick up.

Trend in LAS growth over the past five years



Note: The above market size is as per outstanding at the end of the year and not disbursements during the year

Source: RBI, CRISIL Research

Key growth drivers

CRISIL Research believes that the growth in this segment would largely be driven by the performance of the equity markets. Other factors likely to have a positive impact on LAS include favourable interest rates against the backdrop of a gradual recovery in the economy. Also, the nature of collateral, instant liquidity, interest only on outstanding amount etc. will aid the growth of this segment. For instance, the RBI has laid down guidelines governing LAS such as advances to be extended only to individuals, brokers etc., and only with pre-defined upper limits.

Performance of the equity markets

An expected improvement in the macroeconomic scenario, combined with likely earnings growth (gradual recovery across key sectors), would drive a rebound in the equity markets, which in turn would drive the growth in the LAS segment. As the economy rebounds, stronger demand and improving profitability would drive the earnings growth, boosting the performance of the equity markets.

Instant liquidity and easy to borrow

Loans against shares, debentures or bonds are usually taken by individuals to meet contingencies or urgent personal needs and the loan processing in this segment is typically simple and quick. This also provides the customer with instant liquidity without selling of securities or without losing out on any of the benefits on the securities. While the securities are pledged in favour of the bank, dividends, bonuses, or any other benefit on the pledged shares shall accrue only to the customer and not the bank.

Interest accrues only on outstanding amount

The bank creates a current account in the customer's name with the loan amount as the limit. The customer, who can withdraw money from the account as and when needed, will be charged only on the amount utilised, for the period that it is utilised.

Exhaustive list of approved securities

Every bank has an extensive list of shares and mutual funds that can be kept as collateral. Hence, the customer is offered a loan against an exhaustive list of securities.

Liquid nature of collateral and high collateral cover

The collateral in this segment is highly liquid in nature and is usually based on banks'/non-banking financial institutions' (NBFCs) approved list of shares. Also, the minimum margin stipulation of 50 per cent makes it more attractive for banks and NBFCs to lend to this segment.

NBFCs continue to gain share as banks reduce exposure

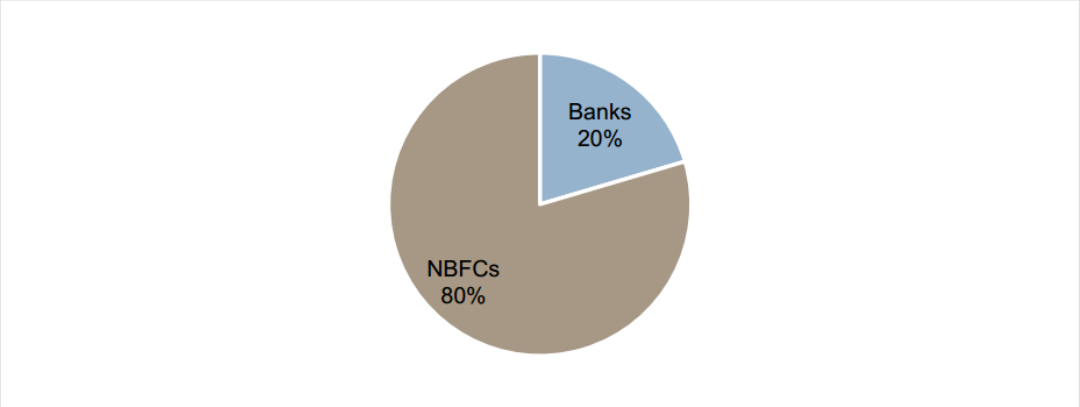
NBFCs traditionally have dominated the broking and hence the loan against shares market. On the other hand, banks' exposure to LAS is very low. As of March 31, 2017, the LAS segment was around 0.3% as a proportion of retail credit and 0.1% of total outstanding bank credit.

While the LAS outstanding of banks grew at 21% CAGR between fiscal 2012 and fiscal 2016, the segment saw a 26% dip in fiscal 2017. The overall bank outstanding stands at ₹ 48 billion as of fiscal 2017. NBFCs have seen their outstanding increase at 26% CAGR between fiscal 2012 and fiscal 2017. The NBFC outstanding in LAS stands at ₹185 billion as of fiscal 2017.

Consequently, the share of banks in overall LAS markets also declined from 34% in fiscal 2012 to 20% in fiscal 2017.

The leading banks in the LAS segment are HDFC, ICICI, IDBI Bank, Citibank etc. Some of the key players in the NBFC segment are Edelweiss, JM financial, Religare, Motilal Oswal, India Infoline, L&T Finance, Bajaj Finserve etc.

LAS market share in fiscal 2017



Source: RBI, CRISIL Research, Industry

WHOLESALE FINANCE

Large ticket size loans to meet credit requirement of corporates

Wholesale finance represents lending services to medium – to – large – sized corporates, institutional customers, real estate developers by banks and other financial institutions. It encompasses long and short-term funding, with long-term loans accounting for majority of the loan book. Within long-term loans, the infrastructure sector comprises a significant share. While long-term loans are driven by investment cycles, short-term loans are influenced by business revenue and working capital requirement.

Banks have a higher market share in wholesale lending compared to NBFCs. Banks extend long and short-term funding to diverse sectors. On the other hand, NBFCs have limited exposure in long-term funding, except certain public NBFCs that cater to the infrastructure sector. Wholesale finance NBFCs provide loans which are industry-specific (such as real estate finance), structured and customized as per the needs of the client and risk appetite of the NBFC. They offer products such as promoter funding, mezzanine funding, structured and acquisition financing, lending to real estate developers, etc. For wholesale NBFCs, developer finance (or real estate lending) accounts for approximately 47% of the loan book, as majority of the large players have significant exposure to the same.

Segmentation of wholesale finance offered by NBFCs is as under:

Real estate lending	Secured corporate loans (includes structured finance)	Capital market lending
• Provides customised and structured loans to real estate developers for pre-approval/land financing and construction of commercial and residential properties • Last stage financing for inventory funding	• Customized financing solutions to meet working capital and growth finance needs of corporate clients • It includes : • *Vanilla term loans* • *Working capital loans* • *Structured finance*	• Provides finance against capital market securities to customers to meet their liquidity requirements • It includes: • *Promoter funding* • *IPO funding* • *Mezzanine financing* • *Special situation and acquisition financing*

Source: CRISIL Research

Wholesale finance market expanded by 9% CAGR in the past five years

CRISIL Research estimates the market size of wholesale financing (includes lending by banks, NBFCs and housing finance companies ("**HFCs**") to be ₹ 25 trillion as of March 2017. The market has grown at a CAGR of 9% between Fiscals 2012 and 2017, reflecting the increasing caution of banks in funding corporates, given high

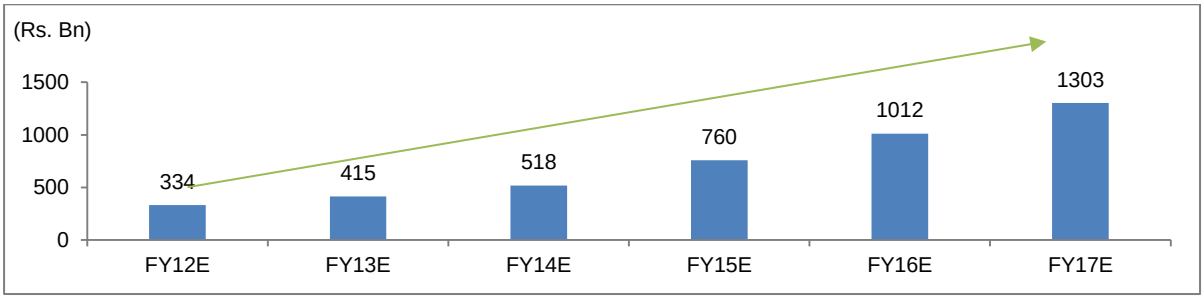
delinquencies and capital constraints. As banks currently account for 90% of the market, slowdown in advances by banks has pulled down market growth.

Recently, the government of India approved a recapitalisation plan for the public sector banks ("**PSBs**"). CRISIL research expects credit growth of banks in the corporate sector to remain muted over the next 2 years as banks are still grappling with high GNPAs in the corporate sector. On the other hand, NBFCs and (HFCs-developer loan portfolio) continue to see strong growth in their wholesale financing books. Between Fiscals 2012 and 2017, wholesale loans outstanding of NBFCs and HFCs together grew at a CAGR of 23%. Consequently, their market share expanded to 9% from 5% during the period.

Significant growth of NBFCs in wholesale finance market in past five years

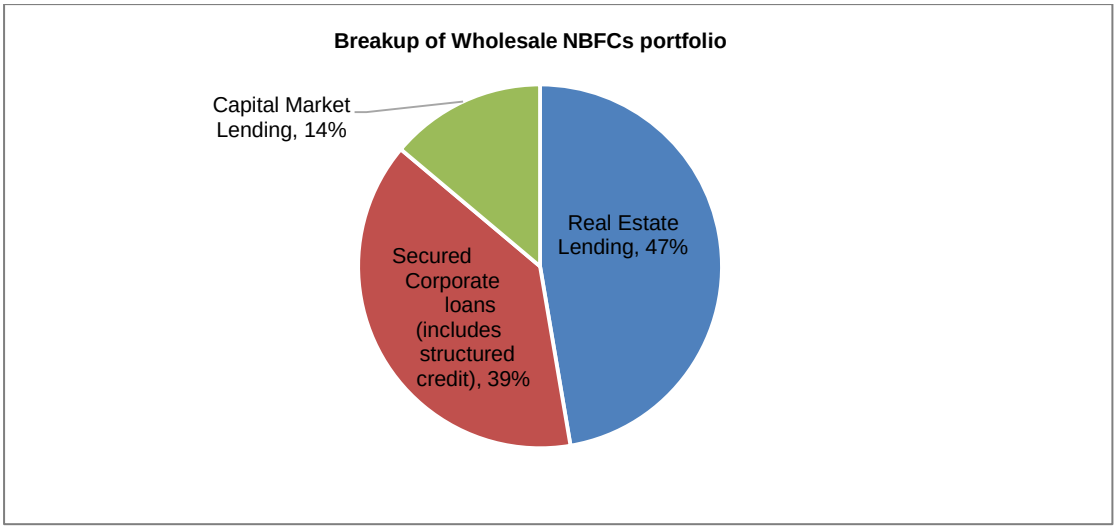
The assets under management ("**AUM**") of wholesale financing NBFCs (excluding HFCs) has grown at a robust CAGR of 31% over the past five years, to touch ₹ 1.3 trillion by March 2017. Though banks' interest rates are lower by 250-350 basis points, NBFCs retain edge over banks by offering more complex and structured deals. The structured credit offered is fairly diversified with top four sectors i.e. auto and auto components, pharma, logistics, real estate constituting 44% of overall portfolio. Banks have also been cautious in lending owing to rising NPAs in past few years. Majority of the portfolio of NBFCs is from tier I cities, which include Mumbai, Delhi, Bengaluru, Chennai, Ahmedabad, Pune, NCR, and Hyderabad, as exit options are difficult in smaller cities, especially in real estate segment that forms a significant chunk of overall portfolio of wholesale finance market.

Strong growth in NBFC loan outstanding



E: Estimated; Note: Excludes HFC portfolio; Source: CRISIL Research

Real estate financing accounts for majority share in overall wholesale credit (Fiscal 2017)



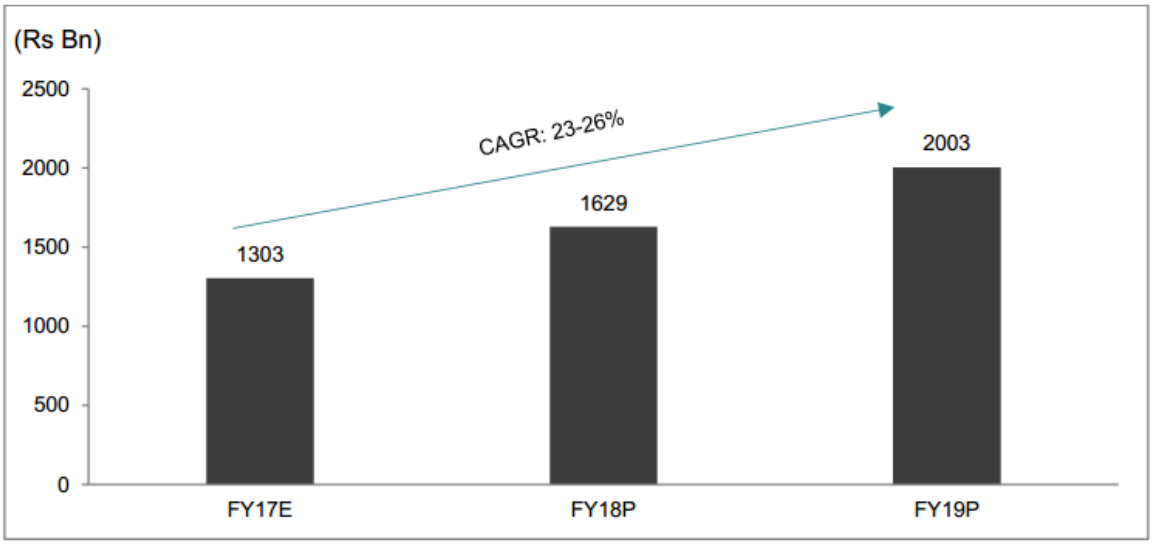
Source: CRISIL Research estimates, Industry

Wholesale financing book of NBFCs to grow at 23% to 26% CAGR

CRISIL Research anticipates wholesale financing by NBFCs to grow at 23% to 26% CAGR over the next two years to ₹ 2.0 trillion by Fiscal 2019. Over the next five years, we expect the NBFCs assets to grow by 20% to

25% CAGR from Fiscal 2017 to Fiscal 2022. Increasing need for funds post implementation of the Real Estate (Regulation and Development) Act, 2016 ("**RERA**") and the inability of PSBs to lend aggressively, would act as key growth catalysts in the near term. Besides this, it is expected that new players will also enter the market due to emerging opportunities in areas such as affordable housing, thereby aiding growth to the segment.

Robust credit growth to continue for wholesale financing NBFCs



E: Estimated; P: Projected; Source: CRISIL Research

Impact of RERA

RERA has brought in a sense of concern to the real estate sector, already grappling with lower sales and lengthening of working capital cycles. This uncertainty is likely to continue for another 6 to 12 months as the market adjusts to RERA implementation. Meanwhile, funding opportunities for property developers would increase as:

- 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.

- 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.

In the long-term, effective implementation of RERA is expected to benefit the real estate sector, as it is expected to result in improved transparency and timely delivery. RERA is also expected to put an end to fund diversion and transform the realty sector into a more organised and trustworthy one, helping re-instill the confidence of end users towards the market. Furthermore, financial institutions will have more confidence in lending to builders/developers on account of the regulatory authority, and the stringent compliances to be followed by them.

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

The strong growth of NBFCs can be explained by the following factors:

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.

Key Structural Reforms

Financial inclusion: Two key initiatives launched by the government for financial inclusion are Pradhan Mantri Jan-Dhan Yojana (PMJDY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY). Under PMJDY, the government's mission is to ensure that every household in India has a bank account and can access their account anywhere and can have access to all financial services like savings and deposit accounts, remittance, credit and insurance affordably.

Demonetization: Post demonetization, as a result of lower currency in circulation, the reliance on cash-based transactions has reduced, nudging the economy towards digital payments.

GST implementation to lead to supply chain changes, market share gains for organised players: The implementation of GST is likely to spawn structural changes in the supply chain and logistics networks in India. Companies are expected to migrate from the current strategy of 'multiple warehousing' to the 'hub and spoke' model as tax treatment across India will be same. In other words, business decisions will be taken on the basis of supply chain efficiency and not state-wise tax arbitrage.

*Direct-benefit transfer ("**DBT**") has led to higher transparency in the system:* The transfer of government subsidies and payments directly into the bank accounts of beneficiaries has helped cut out middlemen and enabled better targeting of subsidies. The DBT scheme has been able to become more effective with the help of Jan Dhan accounts.

Affordable housing: Government has been pushing the housing sector with a vision of housing for all by 2022. Some of the schemes implemented by the government are the Pradhan Mantri Awas Yojana (PMAY), tax incentives for affordable housing and making regulatory authority for the benefit of buyers as well as developers.

Recapitalization of PSBs to boost credit growth: The government's recapitalisation package for public sector banks ("**PSBs**"), announced in October 2017, marks a major step in revitalising these institutions saddled with non-performing assets ("**NPAs**"). The package will help PSBs to accelerate provisioning for stressed assets, speed up the NPA resolution process, and support the clean-up of balance sheets. This will, in turn, help them focus on reviving credit growth. The government's action sends a strong signal of support to PSBs, which are a vital cog in India's credit system.

Insolvency and Bankruptcy Code a key long-term structural positive: Insolvency and Bankruptcy Code is a reform that will structurally strengthen the identification and resolution of insolvency in India. The Insolvency and Bankruptcy Code enhances the credit enforcement structure and provides certainty around the timeframes for insolvency resolution. Along with lenders, ARCs are also a big beneficiary since these assets can be sold to them under the bankruptcy process, the code enhances the right of a creditor to identify insolvency and initiate resolution proceedings. It attempts to simplify legal processes, preserve value for creditors and provide them with greater certainty of outcome. This code will install far greater financial discipline among borrowers.

The implementation of the bankruptcy framework and engagement with independent credit-assessment firms could aid resolution of stressed assets. Strengthening the framework would affect the volume of asset sales, as

banks are reluctant to take adequate haircuts. To address the reluctance of banks to further mark down assets values, the RBI has set up an Internal Advisory Committee ("**IAC**") to provide guidance.

In June 2017, the IAC recommended a time-bound resolution of top 500 exposures that are partly and wholly classified as NPAs. Of those exposures, the IAC referred the top 12 large NPAs for resolution under the Insolvency and Bankruptcy Code, and for other corporate NPAs, it asked banks to finalise a resolution plan within next six months. If there is no viable solution plan agreed upon within the time period, the banks should initiate insolvency proceedings under the Insolvency and Bankruptcy Code. With this step, the RBI has sent a strong signal to borrowers to adhere to the credit discipline and also encourage banks to break resolution deadlocks with definite timelines.

However, there are challenges to be resolved for effective implementation of the Insolvency and Bankruptcy Code:

- Lack of operational information utilities along with adequate insolvency professionals may impact the speed of the resolution process
- Inter-creditor conflicts could delay the process
- The market for secondary assets remains limited in India
- The time period put in place for resolution (180 days plus 90 days) may not be sufficient to decide on an effective resolution process

Digitalization: Catalyst for the next growth cycle

Technology is expected to play a pivotal role in taking the financial sector to the next level, by helping surmount the challenges stemming from India's vast geography and the fact that physical footprints in smaller locations are commercially unviable. Technology also gels complements India's demographic structure, where the median age is less than 30 years and the demography is comfortable using technology to carry out financial transactions. With increase in smartphone penetration and faster data speeds, consumers prefer digitalisation for convenience. With higher mobile penetration, improved connectivity, faster and cheaper data speed has led India to shift from being a cash dominated economy to a digital one, supported by Aadhaar and bank account penetration. Consumers are increasingly transacting through electronic devices. In addition, improved data connectivity, low digital payment penetration and proactive government measures are expected to drive digitisation in the country transforming it into a cashless economy.

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 13 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 Audited Financial Statements for Fiscal 2014, 2015, 2016, 2017 and 2018, included in this Draft Shelf Prospectus. For further information, see "Financial Information" on page 206.

Overview

We are a Systemically Important Non – Deposit taking Non – Banking Financial Company ("**NBFC ND – SI**") forming part of the JM Financial group. We are a wholesale finance NBFC and provide integrated financial solutions to real estate developers with a focus on residential project financing such as funding real estate developers at various stages in the life cycle of a real estate project. We commenced lending to real estate developers in 2014 and our clients are located in Mumbai, Pune, Bengaluru, Chennai, Hyderabad, NCR and Kolkata. For the Fiscal 2018, our loan book stood at ₹ 73,388.8 million as compared to ₹ 56,581.5 million as of Fiscal 2017.

We provide secured and unsecured lending to the real estate developers. Our product portfolio consists of –

- *Project finance*: This includes offering loans to developers for construction of residential or commercial projects.
- *Loans against property:* This includes loans against the residential or commercial properties with occupation certificate.
- *Loans against shares*: This includes loans to investors against the listed or unlisted shares of corporates;
- *Project at early stage loans:* This is primarily undertaken against projects which are expected to be launched soon; and
- *Loans against land:* This funding is primarily undertaken for land acquisition or against land parcels which are not expected to be launched in the near future. These parcels are mostly without approvals at the time of funding.

Our Company was incorporated on May 15, 1980 in the name of *'FICS Consultancy Services Limited'* and received a certificate for commencement of business. Thereafter, on March 4, 2015, the name of our Company was changed to *'JM Financial Credit Solutions Limited'*. Our Company obtained the certificate of registration dated August 27, 2003 bearing no. B-13.01681 issued by RBI to carry on the business of NBFC without accepting public deposits and was then registered as an NBFC – ND – SI with the RBI. The equity shares of our Company were previously listed on the BSE and were then voluntarily delisted with effect from April 18, 2013.

In 2014, our Company received capital investment from INH Mauritius 1 pursuant to which our Promoter, JMFL, now owns 50.0100% of our Company. The balance stake is held by INH Mauritius 1, representing 48.6216% of the total paid up share capital and Ms. Aparna Aiyar representing 1.3684% of the total paid up share capital of our Company.

The following table sets forth the product wise split of our loan book as of March 31, 2018:

Product	**Percentage of total Loan Book**
	(%)
Project Finance	50.2%

Product	Percentage of total Loan Book
Loan against property	17.3%
Loan against shares	8.7%
Project at Early Stage loans	8.9%
Loans against land	13.2%
Unsecured loans*	1.7%
Total	**100.0%**

**The loans are unsecured pending security creation by the borrowers on a subsequent date. The facility is extended to very select marquee clients where we engage with them in repeat business.*

Competitive Strengths

Strong background of shareholders along with brand name and parentage of the JM Financial group

Our Promoter, JMFL owns 50.0100% of the share capital of our Company, the listed holding company of JM Financial business while the balance stake is held by INH Mauritius 1 representing 48.6216% and Ms. Aparna Aiyar representing 1.3684% of the total paid up share capital of our Company.

JM Financial group is an established financial services group providing a range of financial services. The Group's long standing operations in the financial services sector have resulted in establishing JM Financial as a recognized brand. The primary business of the Group includes:

- fund based activities comprising lending to real estate sector, corporate/ structured finance and capital markets as well as the asset reconstruction business;
- investment banking and securities business covering (i) equity and fixed income capital markets transactions, mergers and acquisitions advisory and private equity syndication, (ii) investment advisory and distribution which includes wealth management, and (iii) institutional equities;
- alternative asset management business which involves managing private equity funds and a real estate fund; and
- asset management business which involves the mutual fund business.

We leverage the Group's experience in the various facets of the financial services sector which allows us to understand market trends and mechanics and helps us in designing our products to suit the requirements of our target customer base as well as to address opportunities that arise out of changes in market trends. We believe that by leveraging on the existing relationships and synergies with the Group we will be able to further expand the size of our loan book, launch new products and build scale. We further believe that the relationships that the Group has developed provide us instant brand recognition. We believe that we will continue to derive significant marketing and operational benefits from our association with the Group.

The Group's client focused business approach over four decades has helped all businesses to develop strong relationships across the corporate, institutional, HNI and the retail client base. The consolidated revenue, profit before tax and profit after tax for JM Financial Limited stood at ₹ 32,348.9 million, ₹ 13,085.2 million and ₹ 6,309.2 million respectively for Fiscal 2018. The total assets* of JM Financial Limited stood at ₹ 214,869.4 million and Shareholders equity (including minority interests)* stood at ₹ 57,195.4 million for Fiscal 2018.

**net of Goodwill of ₹ 733.7 million*

Well positioned to benefit from industry trends

We believe that our approach to be senior secured lender at all times together with our focus on risk adjusted profitable growth, has enabled us to develop a consistently profitable and sustainable business model. We have established strong relationships with our clients and have been able to garner repeat business from them. Further, as we have expanded geographically and source new clients we shall be able to capitalize on the growth opportunities.

Wholesale finance NBFCs provide loans which are industry – specific (such as real estate finance), structured and customized as per the needs of the client and risk appetite of the NBFC. They offer products such as promoter funding, mezzanine funding, structured and acquisition financing, lending to real estate developers, etc. Increasing need for funds post implementation of the Real Estate (Regulation and Development) Act, 2016

(RERA) and the inability of PSBs to lend aggressively, would act as key growth catalysts in the near term. Besides this, it is expected that new players will also enter the market due to emerging opportunities in areas such as affordable housing, thereby aiding growth to the segment. *(Source: CRISIL Research)*

Strong financial and operating performance reflected in strong growth, asset quality and returns

We have track record of stable and sustainable financial performance, reflected in our consistent growth in revenues and profitability. We recorded total revenue of ₹ 60.0 million, ₹ 1,037.3 million, ₹ 5,194.5 million, ₹ 7,883.6 million and ₹ 9,599.3 million for Fiscal 2014, Fiscal 2015, Fiscal 2016, Fiscal 2017 and Fiscal 2018 respectively. Our total revenue increased at a CAGR of 109.9% from Fiscal 2015 to Fiscal 2018. We recorded profit before tax of ₹ 26.9 million, ₹ 702.2 million, ₹ 3,017.2 million, ₹ 4,247.8 million and ₹ 5,040.4 million for Fiscal 2014, Fiscal 2015, Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. Our profit before tax increased at a CAGR of 92.9% from Fiscal 2015 to Fiscal 2018. Our profit after tax increased at a CAGR of 88.8% from Fiscal 2015 to Fiscal 2018. Our ROA was 6.5%, 5.6% and 5.0% in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. Our ROE was 19.0%, 21.8% and 20.8% in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively.

We primarily focus on wholesale lending to real estate developers as reflected in our loan book. Our loan book was ₹ 18,444.6 million, ₹ 40,744.7 million, ₹ 56,581.5 million and ₹ 73,388.8 million, as of March 31, 2015, 2016, 2017 and 2018, respectively.

Wide customer base, strong customer relationships and geographic diversification

With a predominant focus on financing residential development, we are currently focused on funding projects located in Tier 1 cities such as Mumbai, Pune, Bengaluru and Chennai. We have successfully carried out lending against a few completed, commercial properties, in Mumbai and Bengaluru and have recently commenced financing projects in Kolkata, Hyderabad and NCR.

As of March 31, 2018, we had 77 borrower groups in this business, and the average ticket size of our advances per borrower group was ₹ 953.1 million for fiscal 2018.

The following table sets out the geographic split of our aggregate Loan Book as of March 31, 2018:

Region	**Percentage of Loan Book (%)**
Mumbai	42.5%
Bengaluru	21.4%
Chennai	11.4%
Pune	8.5%
Kolkata	5.7%
Hyderabad	4.2%
NCR	5.4%
Others	0.9%
Total	**100.0%**

Well defined process, secured loan book and strong asset quality

We provide secured finance which ensures lower NPAs and fewer recovery related problems. As at March 31, 2018, 98.3%, of our total loan book was secured and our gross NPAs and net NPAs constituted 1.0% and 0.9% of our total loan book, respectively. We maintain provisions for NPAs on our total loan book on a conservative basis.

Loans against property are secured against collateral of residential or commercial property while loans against securities are offered against collateral of securities. Similarly, project funding is secured against under construction / partly built projects while loans against land and projects at early stage loans are secured against land. Generally, the disbursements are also secured by a guarantee. We believe that our credit appraisal mechanism, credit control processes, audit and risk management processes and policies help us in maintaining the quality of our loan book.

We believe our business processes ensure complete independence of function and segregation of responsibilities. We believe our credit appraisal and credit control processes, centralized operations unit and approving all loans

unanimously by the credit committee members, and risk management processes and policies provide for multiple checks and verifications for both legal and technical parameters, including collateral valuation and title search, document verification and fraud and KYC check, and personal meetings with clients. Further, our processes have been standardized with the objective of providing high levels of service quality while maintaining process and time efficiency. This is done by facilitating the integration of workforce, processes and technology. Our key business processes are regularly monitored by the senior management.

We have a well-defined risk management policy framework for risk identification, assessment, and control to effectively manage risks associated with the various business activities. The risk function is mainly looked after by a business risk group embedded in the business.

We continue to manage the credit risk associated with our lending business 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 product depending on the nature of the customer, purpose of the loan and the amount of loan advanced. 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, we endeavor to maintain our position as senior secured lender at all times, by avoiding entering into consortium arrangements and becoming a second charge holder. 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. Our gross and net NPAs were nil in Fiscal 2015, Fiscal 2016, Fiscal 2017 and were ₹ 758.0 million and ₹ 682.2 million in Fiscal 2018, respectively, constituting 1.0% and 0.9% of our net advances as of March 31, 2018, respectively. As of March 31, 2018, advances towards residential projects represented 78.7% of our total advances and cash flow backed advances represented 85.1% of our total advances.

Diversified funding sources and strong credit profile adequately capitalized to fund our growth

Our 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 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,									
	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**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**	**(₹ million)**	**(%)**	**(₹ million)**	**(%)**	**(₹ million)**	**(%)**
Term loans	-	-	650.0	7.2%	12,150	40.9%	18,710.6	45.2%	25,638.1	45.2%
Non-convertible debentures	-	-	500.0	5.5%	9,359.0	31.5%	14,146.0	34.2%	21,445.7	38.6%
Finance lease obligation	-	-	-	-	0.4	-	0.9	0.0%	0.5	-
Total	**-**	**-**	**1,150.0**	**12.7%**	**21,509.4**	**72.4%**	**32,857.5**	**79.4%**	**47,084.3**	**84.9%**
Working Capital demand	-	-	-	-	100.0	0.3%	-	-	-	

	As of March 31,									
	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
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Loan										
Cash credit facilities	-	-	500.3	5.6%	1,413.2	4.8%	660.7	1.6%	538.0	0.1%
Commercial papers	-	-	7,358.8	81.7%	5,217.3	17.6%	7,864.5	19.0%	7,865.7	14.1%
Inter corporate deposit	875.0	100.0%	-	-	1,450.0	4.9%	-	-	-	
Total	**875.0**	**100.0%**	**7,859.1**	**87.3%**	**8,180.5**	**27.6%**	**8,525.2**	**20.6%**	**8,403.7**	**15.1%**
Grand Total	**875.0**	**100.0%**	**9,009.1**	**100.0%**	**29,689.9**	**100.0%**	**41,382.7**	**100.0%**	**55,488.0**	**100.0%**

Our Company has strong credit ratings from agencies such as CRISIL, ICRA and India Ratings. We believe our strong credit rating allows us to borrow funds at competitive rates from diverse sources, reflected in our reduced cost of funds.

Our credit ratings as of March 31, 2018, are set forth below:

Instrument	Agency	Rating	Outlook
Long term NCD issuances and Bank lines	CRISIL	CRISIL AA	Stable
Commercial Paper Program		CRISIL A1+	-
Long term NCD issuances and bank lines	ICRA	[ICRA] AA	Stable
Long term Market Linked Debentures (principal protected)		PP – MLD [ICRA] AA	Stable
Commercial Paper Program		[ICRA] A1+	-
NCDs and Bank lines	India Ratings	IND AA	Stable
Commercial Paper Program		IND A1+	-

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 22.4%, as compared to the minimum capital adequacy requirement of 15.0% as stipulated by the RBI. We believe that our high capital adequacy gives us significant headroom to grow our business.

Our capital adequacy ratio as of March 31, 2015, 2016, 2017 and 2018 is as follows:

Particulars	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
CAR prescribed by RBI	15.0%	15.0%	15.0%	15.0%
Total capital adequacy ratio	50.8%	27.1%	24.9%	22.4%
i) Tier I	50.6%	26.8%	24.5%	22.0%
ii) Tier II	0.2%	0.3%	0.4%	0.4%

Experienced management team

We have an experienced management team, which is supported by a capable and motivated pool of employees. 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 grow a profitable and sustainable business model. Our senior managers have diverse experience in various financial services and functions related to our business which enables them to appropriately support and provide guidance to our employees.

Our Board, including the independent directors, also has extensive experience in the financial services and banking industries. 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. For further information on our management team, see "*Our Management*" on page 100 of this Draft Shelf Prospectus.

Our Strategies

Diversify our liabilities and strengthen our credit profile

We have constituted an asset liability management committee ("**ALCO**") which is responsible for balance sheet planning from risk return perspective and includes the consideration of future interest rate and liquidity risks, funding source mix, guidance on lending rates and tenor. Our tenor wise borrowing profile typically ranges from 3 months to 5 years. Since our Company is a non-deposit taking NBFC and has a varied product mix of lending portfolio resulting into maturities of loans in different time buckets, efforts are made to match the maturity of liabilities with those of the assets and minimize the asset liability mismatch.

We intend to further diversify and strengthen our funding profile, strategically adding additional funding resources, including insurance companies and retail investors. We also intend to strengthen our credit profile. We will continue to focus on developing a diversified funding model to achieve optimal cost of funds while balancing liquidity and concentration risks. Based on our balance sheet, we believe that we will continue to improve our credit ratings and access additional sources of funds.

Further diversification through geographic expansion and increasing our client base

We intend to expand into newer geographies and increase our customer base to spread our credit risk and drive overall growth. We have established presence in the geographies of Mumbai, Pune, Chennai and Bengaluru and have recently expanded into the geographies of Hyderabad, Kolkata and NCR markets. We intend to grow our loan book in the new geographies and reduce our geographic concentration risk. As of March 31, 2018, we have lent to 77 groups comprising 119 accounts.

We intend to enhance our customer base and solidify our existing customer relationships by inter alia, offering customized solutions to our clients and faster turnaround time. The additional clientele will help us reduce average ticket and thereby reduce client concentration risk. We believe our clients appreciate our solutions oriented approach towards lending and have been able to win repeat business from our clients.

Bottom up approach to underwriting and focus on risk adjusted profitable growth

We have stringent eligibility criteria for borrowers, including having achieved certain minimum delivery records, experience, and commercial presence. 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 have developed customized credit analysis procedures to 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. We shall continue to manage credit risk and strengthen the credit evaluation and monitoring mechanisms associated with our business.

We continue to focus on risk adjusted profitable growth as a key factor driving our business decisions. We intend to continue to be very selective on the borrowers. We believe this approach will help us to continue to build a consistent and steady business model over time. We have developed strong relationships, skill sets and gained valuable experience over time in our business. We intend to use the experience and the relationships to profitably grow our loan book on a risk adjusted basis. We aim to further develop and implement stringent credit appraisal processes and standards to manage risks associated with our operations.

Achieve operations excellence by further strengthening our operating processes and risk management systems

We are focused on building a process driven organization with a culture of compliance, audit and risk management. Operations excellence and risk management forms an integral part of our business as we are exposed to various risks. The objective of our risk management systems is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business. The objective of our risk management systems is to measure and monitor the various risks, we are subject to and to implement policies and procedures to address such risks.

We believe that we have implemented credit and risk management systems which we intend to rely upon to optimize our product mix in our loan portfolios. We maintain our asset quality by adhering to credit evaluation standards, limiting client exposure and interacting with customers directly and regularly. We ensure that prudent LTV ratios are adhered to while lending. We ensure prompt collection and proper storage of post-disbursement documents. Our post disbursement monitoring mechanism is equally robust as our credit evaluation standards and disbursement process. We manage all recovery of amounts due on loans internally. We track the loan's repayment schedules of our customers on a monthly basis based on the outstanding tenure of the loans. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently. We believe that this will also help us in maintaining our margins.

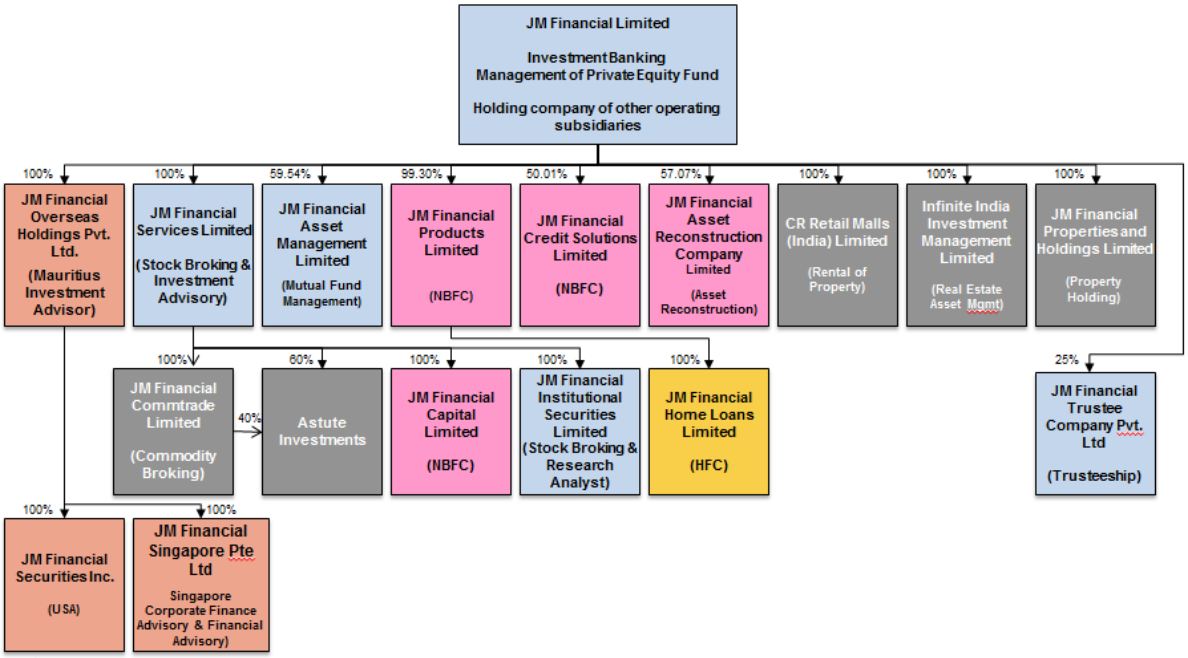
Focus on technology to manage and grow business

We regularly update our systems and continue to streamline our credit approval, administration and monitoring processes to meet customer requirements and maintain our risk profile. We continue to focus on developing and strengthening our IT capabilities to support our growth and improve the quality of our services.

As we continue to expand our geographic reach and scale our operations, we continue to focus on further developing and integrating technology to support growth, credit evaluation, monitoring and overall turnaround time. We are exploring the use of technology to reduce time to market and also control operating costs and digitizing the credit processes. As our customer base increases, we will have access to an increasing amount of data and intend to use the data to improve underwriting decisions. We also use third party databases to assist in credit evaluation decisions.

Corporate Structure

The chart below sets out the corporate structure of the JM Financial group as on March 31, 2018:



Our Business

We provide integrated financial solutions to real estate developers with a focus on project. All our products under this segment require collateral and our portfolio includes project finance, loans against property, loans against shares, project at early stage loans, and loans against land. We provide loans for tenures ranging from 24 to 48 months. We facilitate timely repayments through an escrow mechanism of project receivables.

With a predominant focus on residential development, we are currently focused on funding projects located in Tier 1 cities such as Mumbai, Pune, Bengaluru, Chennai, Kolkata, NCR and Hyderabad. We have successfully carried out lending against a few completed, commercial properties, in Mumbai and Bengaluru and have recently commenced financing projects in Kolkata, Hyderabad and NCR.

As of March 31, 2018, advances towards residential projects and commercial projects represented 78.7% and 10.9% of our total advances respectively. As of March 31, 2018, cash flow backed advances represented 85.1% of our total advances. As of March 31, 2018, we had 77 borrower groups in this business, and the average ticket size of our advances per borrower group was ₹ 953.1 million. For details of the geographic split of our aggregate loan book as March 31, 2018, please refer to *"Our Business"* on page 82.

Our Products

Project Funding

Our real estate financing business is primarily focused on providing project specific funding for ongoing residential and commercial projects which have received key regulatory approvals. The loan repayment is expected from project cash flows which would accrue during the loan tenure.

We seek to distinguish the products and services of our project finance segment from those of our competitors by customizing each of our offerings to the specific requirements of our customers and their projects, providing efficient transaction processing and management capabilities. Our project funding constituted 47.9% and 50.2% of our total loan book as at March 31, 2017 and 2018 respectively.

Loans against land

We offer loans to customers for land acquisition or against land parcels which are not expected to be launched in the near future. These parcels are mostly without approvals at the time of funding and the loan repayment is expected from group cash flows. Our loans against land constituted 11.4% and 13.2% of our total loan book as at March 31, 2017 and 2018 respectively.

Projects at Early Stage Loan

This funding is primarily undertaken against projects which are expected to be launched soon. The projects may be already approved or the funding could be for seeking the project approvals. This funding is primarily given for part refinance of existing loans and part project related funding. The loan repayment is expected from project cash flows which will accrue during the loan tenure. Our funding under this segment constituted 12.9% and 8.9% of our total loan book as at March 31, 2017 and 2018 respectively.

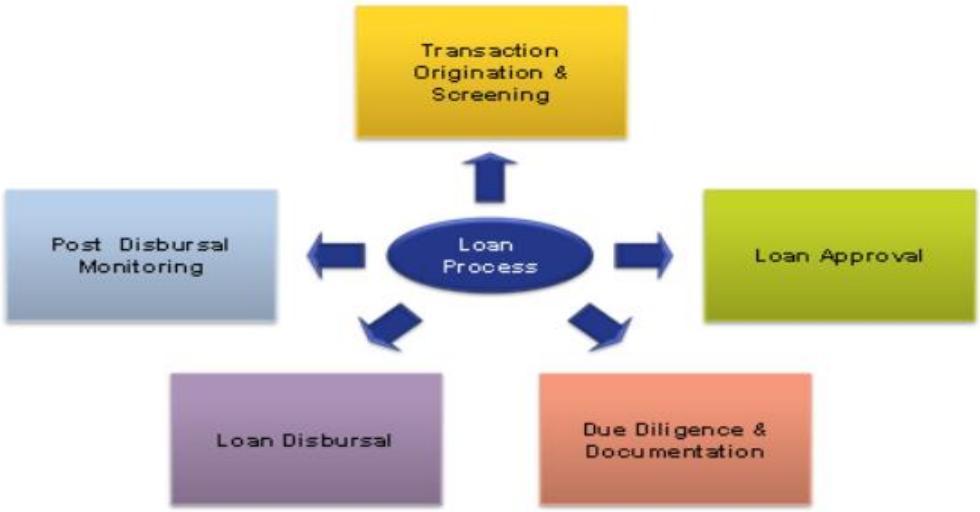
Loan Against Property

Loan against Property ("**LAP**") is a funding against ready residential / commercial units with occupation certificate. The loan repayment is expected from sale of these ready units. LAP constituted 17.7% and 17.3% of our total loan book as at March 31, 2017 and 2018 respectively.

Loan Against Shares

Loan against Shares ("**LAS**") is a loan facility offered to real estate developers against pledge of listed / unlisted securities of their own company primarily to bridge the gap in the event the inventory of the developer is slow moving, it helps to build the cash flow gap between seller and completion of the project. Loan repayment expected from group cash flow is extended only with marquee and selected few cities with very strong credit history. This funding is primarily provided for funding the clients group activities and repayment of existing loans (secured and unsecured). Our LAS constituted 9.8% and 8.7% of our total loan book as at March 31, 2017 and 2018 respectively.

The loan process is as under:



Loan Origination

In 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 order to determine demand and supply in a micro market, we conduct surveys, directly or rely on service provided by International Property Consultant. We have subscribed to prop-equity data base which provides real time data on supply in each micro market across geographic region. We 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 which includes a minimum delivery track record, experience, commercial presence, networth and profitability at an appropriate stage management meeting, promoter reference checks and site visits are conducted. In case the borrower group does not have such a record, but satisfies certain other conditions, the origination team may present such proposal to the credit committee. The credit committee may decide on the exceptions to be granted from the eligibility requirements of delivery track record upon satisfaction of certain other criteria. The credit

memorandum is prepared post the analysis of the project, assessment of collateral, borrower group financials and estimated cash flows from the project. A sensitivity analysis is also conducted on the estimated cash flows.

The origination team directly meets with clients for deal origination and receives preliminary information. A name clearance memorandum is generated for the credit committee of the Board and a borrower is considered for a loan following discussions with the risk team. The risk team independently prepares a risk note on the client / project and presents it to the credit committee for further deliberation. The credit memorandum along with the risk note is presented to the credit committee for relevant commercial terms to be finalized.

We have built in robust internal policies in order to avoid conflict of business objects within the group. We have established a referral mechanism whereby, any company within the JM Financial group is required to refer transactions in the real estate sector or products that are offered by our Company directly to us. Such referrals would be at arms length distance and in compliance with regulatory requirements.

Loan Approval

After the credit history, credentials, information and documents have been submitted by the prospective customer and have been verified to our satisfaction, the final loan approval is sought from the credit committee. A term sheet is produced based on sanction terms, post sanction/ conditional sanction terms and additional analysis is performed if required. The legal team vets the term sheet before it is issued to the client. The final term sheet is issued in accordance with the sanction terms. Limited title due diligence and technical due diligence is undertaken by external professionals, before execution of the loan documents. Similarly, financial due diligence is undertaken by the in – house professionals. Loan documents are executed as advised by legal counsel based on unconditional acceptance by client. We also set out security creation requirements in the loan documents. In any kind of real estate lending transaction we maintain a security and receivables cover between 1.5 to 2 times of the loan amount. This gives enough flexibility in the event the real estate prices come down or there is a cost overrun. It also helps ensure equity of the promoter in the project in terms of the residual value cover.

Loan Disbursal

Prior to loan disbursal, a disbursement memorandum has been set out covering the loan disbursal process and requirements. All original documents are stored in safe custody in the relevant place of execution. A disbursement memorandum with details of the transaction, conditions precedent, security creation and other terms is prepared, following which the loan is disbursed. The loan is monitored periodically for compliance with covenants and terms of the loan documents, and a review of the borrower. Such review is carried out by the origination team with the assistance of our technology platforms. The repayment status is also tracked by our operations team. If required, we may also initiate loan recovery processes.

Post Disbursal Monitoring

The customer (and guarantor, if any) execute(s) the documents for the creation of security and the loan agreement which sets out the terms of the loan. A loan repayment schedule is attached as a schedule to the loan agreement, which generally sets out periodic repayment terms. Repayments are made in periodic instalments. Loans disbursed are recovered from the customer in accordance with the terms and conditions of the loan. We track the loan's repayment schedules of our customers on a monthly basis based on the outstanding tenure of the loans, the number of instalments and defaults committed, if any. This data is analysed based on the loans disbursed and location of the customer. We manage all recovery of amounts due on loans internally. Our team ensures that all stages of the collections process are implemented and executed.

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 risk and monitoring team review collections regularly and personally contact customers that have defaulted on their loan payments.

Our risk and monitoring team are assisted by our officers who are also responsible for the collection of instalments from each customer that are serviced by them. We believe that our close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

ASSET QUALITY

We maintain our asset quality by adhering to credit evaluation standards, limiting exposure and interacting with customers directly and regularly. We ensure that prudent loan to value ratios are adhered to while lending. We ensure prompt collection and proper storage of post-disbursement documents.

Asset Classification

The Master Directions on Non-Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as amended from time to time, the "**Master Directions**") provide standards for asset classification, treatment of NPAs and provisioning against NPAs for non-deposit taking NBFCs in India. Our Company, like other non-deposit taking NBFCs, is required to classify loans, advances and other forms of credit into various classes as required by RBI.

Our Provisioning Policy

Provision for non-performing assets is based on the management's assessment of the degree of impairment of the loan asset and the level of provisioning required as per the prudential norms prescribed by RBI under the Master Directions. Provisions against standard assets are made on the basis of the Master Directions.

NPA

We believe we follow the necessary risk management policies to ensure that the asset quality of our credit book remains comfortable. The table below sets out the details on the Company's NPA for Fiscal 2016, 2017 and 2018:

Particulars	Fiscal 2016	Fiscal 2017	Fiscal 2018
	(₹ million, except number of accounts / groups)		
Gross NPAs	-	-	758.0
Provisions	-	-	75.8
Net NPAs	-	-	682.2
Total assets (including income reversal)	42,067.7	56,911.4	74,811.7
Gross NPA to Total Assets	-	-	1.0%
Net NPA to Total Assets	-	-	0.9%
NPA Coverage Ratio	-	-	10.0%

We manage the recovery and collection process in – house. Employees of the Company conduct the recovery process. We place telephone calls and send written repayment demands to customers when loan repayments are a few weeks overdue. Our NPA recovery process starts with reminders to delinquent borrowers and proceeds to our taking appropriate action.

Key Performance Indicators

The following tables set forth certain information relating to the financial performance and key performance indicators of our lending business as carried out by us:

Parameters	Fiscal 2016	Fiscal 2017	Fiscal 2018
	(₹ million, except number of accounts / groups)		
Networth	11,360.2	14,132.7	17,415.6
Total debt			
i) Non current maturities of long term borrowings	19,569.7	25,675.7	36,133.2
ii) Short term borrowings	8,180.5	8,525.2	8,403.7
iii) Current maturities of long term borrowings	1,939.3	7,181.4	10,950.8
Net fixed assets	3.1	8.5	6.7
Non current assets*	33,253.1	38,913.3	48,501.9
Cash and cash equivalents	1,018.6	17.0	1,183.4
Current investments	-	-	-

Parameters	Fiscal 2016	Fiscal 2017	Fiscal 2018
	(₹ million, except number of accounts / groups)		
Current assets	8,814.6	17,998.1	26,309.8
Current liabilities	10,885.6	16,662.9	20,509.2
Assets under management	-	-	-
Off balance sheet assets	-	-	-
Interest income from funding activities	4,683.6	7,077.4	8,697.5
Interest expense	1,746.8	3,122.6	3,916.6
Provisioning and write – offs	76.7	76.0	167.9
PAT	1,975.4	2,772.5	3,282.9
Gross NPA (%)	-	-	1.0%
Net NPA (%)	-	-	0.9%
Tier I Capital Adequacy Ratio (%)	26.8%	24.5%	22.0%
Tier II Capital Adequacy Ratio (%)	0.3%	0.4%	0.4%

Our Net Total Income and Profit after Tax increased at a CAGR of 84.6% and 88.8%, respectively from Fiscal 2015 to Fiscal 2018. In addition, our Loan Book also increased at a CAGR of 58.5% from Fiscal 2015 to Fiscal 2018.

	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018
	(₹ million, except ratios and percentages)		
Assets:			
Fixed Assets	3.1	8.5	6.7
Loan Assets	40,744.7	56,581.5	73,388.8
Other Assets	1,319.9	321.4	1,416.2
Total Assets	**42,067.7**	**56,911.4**	**74,811.7**
Liabilities:			
Share Capital	25.0	25.0	25.0
Reserves and Surplus	11,335.2	14,107.7	17,390.6
Shareholders' Funds	11,360.2	14,132.7	17,415.6
Borrowings	29,689.9	41,382.7	55,488.0
Other Liabilities	1,017.6	1,396.0	1,908.1
Total liabilities	**42,067.7**	**56,911.4**	**74,811.7**
Gross NPAs	-	-	1.0%
Net NPAs	-	-	0.9%
Debt to Equity	2.6	2.9	3.2
Capital Adequacy	27.1%	24.9%	22.4%
Tier I Ratio	26.8%	24.5%	22.0%

Ratios	Fiscal 2016	Fiscal 2017	Fiscal 2018
Yield[(1)]	16.6%	15.7%	14.7%
Cost Of Borrowing[(1)]	9.9%	9.8%	9.2%
Net Interest Margin[(1)]	10.4%	8.8%	8.0%
Cost to Net Total Income	10.3%	9.2%	8.3%
ROA[(1)]	6.5%	5.6%	5.0%
ROE[(1)]	19.0%	21.8%	20.8%

(1) Calculated on an annualized basis

Capital Adequacy Ratio

The following table sets out the capital adequacy ratios, as of the dates indicated:

	As of March 31,		
	2016	2017	2018
	(₹ million, except ratios and percentages)		
Tier I Capital	11,283.5	14,003.2	17,250.9
Tier II Capital	122.9	198.9	291.0
Total Capital	**11,406.4**	**14,202.1**	**17,541.9**

	As of March 31,		
	2016	2017	2018
	(₹ million, except ratios and percentages)		
Total Risk Weighted Assets	**42,093.4**	**57,063.3**	**78,160.3**
Capital Adequacy Ratio (as a Percentage of Total Risk Weighted Assets (%))			
Tier I Capital	26.8%	24.5%	22.0%
Tier II Capital	0.3%	0.4%	0.4%
Total Capital	**27.1%**	**24.9%**	**22.4%**

Key Performance Quarterly Highlights

The following table sets out our key performance quarterly highlights, as of the dates indicated:

	Q4 FY 2017	Q4 FY 2018
	(₹ million, except ratios and percentages)	
Revenue	2,227.4	2,681.1
Net Profit after tax	789.5	928.7
Net worth	14,132.7	17,415.6
Loan book	56,581.5	73,388.8
Net Interest Margin	8.7%	7.3%
Total Assets	56,911.4	74,811.7
Debt / Equity Ratio	2.93	3.19

Loan book	Q4 FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18
	(₹ million)				
Real Estate	55,951.5	55,174.9	56,965.0	64,640.2	73,278.8
Corporate credit and Structured finance	630.0	1,610.0	110.0	110.0	110.0
Total	**56,581.5**	**56,784.9**	**57,075.0**	**64,750.2**	**73,388.8**

Return Ratios & Capital Adequacy	Q4 FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18
ROA (not annualized)	1.5%	1.4%	1.2%	1.4%	1.3%
ROE (not annualized)	5.7%	5.5%	4.6%	5.3%	5.5%
Capital Adequacy	24.9%	26.2%	27.3%	25.2%	22.4%

Risk Management

Risk management forms an integral part of our business. As a lending institution, we are exposed to several risks related to our lending business and operating environment. We have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. This framework is driven by the Board through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee. Our Risk Management Committee *inter alia* is responsible for reviews, identifies, monitors and measures the risk profile and risk measurement system of our Company.

Credit Risk

Credit risk is the risk of loss that may occur from defaults by our customers under our loan agreements. In order to assess credit risk, a separate set of credit policies that outline a standardized structure approach for customer selection. Credit approvers and relationship managers are responsible for ensuring adherence to these policies.

We have structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. Our credit teams track cases for early signs of stress, ensuring that corrective action is taken in the case of non – starter of early delinquency cases.

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, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities.

Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

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 our business is adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity risks.

Operational Risk

Operational risks arise from inadequate or failed internal processes, people or systems, or from external events. We control our operational risk by maintaining a comprehensive system of internal controls. Our dedicated operation risk management team identifies all people and process related risks and updates them in a risk register with rank, impact and controllability. In addition, we have leveraged technology to protect us from fraud by taking measures such as verifying customer details and documentation online and using credit bureau data to get information on potential frauds.

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 affecting our businesses. We also take external advice 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.* The Audit Committee of our Company was constituted on July 15, 2014. Our Audit Committee acts as a link between the statutory and internal auditors and our Board. It is authorized 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 Management Committee.* The Asset Liability Management Committee ("**ALCO**") of our Company was constituted on November 20, 2014. The ALCO is a decision making unit responsible for balance sheet planning from risk return perspective which includes the consideration of future interest rate and liquidity risks, funding source mix, guidance on lending rates and tenor. The ALCO considers parameters and limits set by the Board of Directors in its decisions. ALCO also review the progress in implementation of its decisions made in the previous meetings and takes corrective actions, if required under the current scenario. Apart from the timelines stipulated by RBI, the ALM statements of our Company are prepared and monitored on a regular basis to track the inflows and outflows in the relevant future buckets as stipulated by RBI. The ALM statements along with the other statements for borrowing requirements are placed before our Asset Liability Management Committee (ALCO) which helps the

Committee to decide on the amount and source of borrowing. Since our Company is a non-deposit taking NBFC and has a varied product mix of lending portfolio resulting into maturities of loans in different time buckets, efforts are made to match the maturity of liabilities with those of the assets and minimize the ALM mismatch.

- *Risk Management Committee*. The Risk Management Committee of our Company was constituted on November 20, 2014. 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.

Credit Ratings

Our credit ratings as of March 31, 2018, are set forth below:

Instrument	Agency	Rating	Outlook
Long term NCD issuances and Bank lines	CRISIL	CRISIL AA	Stable
Commercial Paper Program		CRISIL A1+	-
Long term NCD issuances and bank lines	ICRA	[ICRA] AA	Stable
Long term Market Linked Debentures (principal protected)		PP – MLD [ICRA] AA	Stable
Commercial Paper Program		[ICRA] A1+	-
NCDs and Bank lines	India Ratings	IND AA	Stable
Commercial Paper Program		IND A1+	-

Credit ratings for long – term debt in the fund based business as of the periods indicated include:

	February 2015	June 2015 – July 2015	September 2015 – October 2015	March 2016 – April 2016	February 2017	April 2018
India Ratings	-	AA/Stable	-	-	-	AA / Stable
ICRA	AA-/ Stable	-	AA/Stable	-	-	AA / Stable
CRISIL	-	-	-	-	AA / Stable	AA/ Stable

Marketing and Customer Support

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 business and is a key element in expanding our product and service offerings, enhancing our delivery systems, providing speedy and consistent customer service, reducing costs, and facilitating our ability to handle significant increases in customer activity without a corresponding rise in risk and staff. 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.

Employees

As on the date of this Draft Shelf Prospectus, we have 30 employees. We adhere to a policy of nurturing dedicated talent by conducting regular training programmes. We provide training to our employees both as a commitment to their career development and also to ensure quality service to our customers. These trainings are conducted on joining as part of employee initiation and include additional on-the-job trainings. We also conduct

on-going objective trainings to address specific short comings of the employees. We also intend to use technology as a platform to make our training programmes more effective and efficient.

Competition

Competitors in our business include established Indian and foreign commercial banks, other NBFCs and housing finance companies. We may also face competition from unorganized small market participants who are prevalent in semi – urban and rural landscapes. 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 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'* on page 13 of this Draft Shelf Prospectus.

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 commencing from October 01, 2017. As of March 31, 2018, we have presence in Chennai, Bengaluru and NCR. The branch office at Chennai is contracted on a leasehold basis for a period of 6 years commencing from April 1, 2016 and the office at NCR has been contracted for a period of 5 years commencing from April 01, 2018. Our operations at Bengaluru office are carried out through our offices at Chennai and Mumbai. For further details, please refer to '*Risk Factors – 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*' on page 32 of this Draft Shelf Prospectus.

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 majorly implemented through JM Financial Foundation. Our CSR activities are currently focused on providing primary healthcare services in rural areas**.**

HISTORY AND MAIN OBJECTS

Brief background of our Company

Our Company was originally incorporated at Mumbai, Maharashtra on May 15, 1980, as a public limited company, under the provisions of the Companies Act, 1956 with registration number 22644 of 1980, with the name "FICS Consultancy Services Limited". Our Company also received a certificate for commencement of business on May 24, 1980. Subsequently, by way of a fresh certificate of incorporation dated March 04, 2015 issued by the Registrar of Companies, Mumbai, Maharashtra, our Company's name was changed to "JM Financial Credit Solutions Limited". Our Company has obtained a certificate of registration dated August 27, 2003 bearing registration no. B-13.01681 issued by the RBI to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934. Our Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC). For further details regarding the Promoter and the group companies please refer to "*Our Promoters*" at page 109 of this Draft Shelf Prospectus.

The equity shares of our Company were previously listed on BSE. With effect from April 18, 2013, the trading of equity shares of the Company was discontinued, pursuant to the Company having complied with the formalities for voluntary delisting equity shares under the SEBI (Delisting of Equity Shares) Regulations, 2009.

Registered office and change in registered office of our Company

The registered office of our Company is situated at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India. The Board of Directors of the Company at its meeting held on July 15, 2014, had inter-alia approved to shift the registered office of our Company from 141, Maker Chambers III, Nariman Point, Mumbai – 400 021, Maharashtra, India, to the present address.

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
2014-2015	▪ Our Company entered into an Investment Agreement on June 18, 2014 with JMFL (holding company), Mr. Vikram Pandit and Mr. Hariharan Aiyar, in connection with the investments to be made by them. ▪ The name of our Company was changed from FICS Consultancy Services Limited to JM Financial Credit Solutions Limited. ▪ Our Company issued 12,00,000 equity shares on rights issue basis on November 3, 2014 and 12,49,496 compulsorily convertible preference shares and 4 equity shares on private placement basis on November 20, 2014.
2015-2016	▪ The non-convertible debentures issued by our Company on private placement basis got debt listed on BSE with effect from April 10, 2015.
2016-2017	▪ Our Company converted 12,15,292 compulsorily convertible preference shares of face value of ₹ 10 each held by INH Mauritius 1 into equal number of fully paid-up equity shares of ₹ 10 each on February 9, 2017.
2017-2018	▪ Our Company converted 34,204 compulsorily convertible preference shares of face value of ₹ 10 each held by Ms. Aparna Aiyar into equal number of fully paid-up equity shares of ₹ 10 each on July 21, 2017.

Key terms of material agreements

*Investment agreement executed between our Company, JMFL, Mr. Vikram Pandit and Mr. Hariharan Aiyar ("**Investment Agreement**")*

On June 18, 2014, our Company, JMFL, Mr. Vikram Pandit and Mr. Hariharan Aiyar (collectively, the "**Parties**") entered into an agreement setting out the terms and conditions pertaining to the manner in which Mr. Vikram Pandit and Mr. Hariharan Aiyar or other Person controlled / advised by them and designated jointly by them (the "**Investor**") would invest an amount of ₹ 5,397,840,000 (the "**Investment Amount**") into the Company and the rights and obligations of the Parties in relation to the Company ("**Investment Agreement**").

For the Investment Amount, the investors were entitled to equity shares aggregating to ₹ 15,000/- and compulsorily convertible preference shares aggregating to an amount of ₹ 5,397,825,000

Additionally, the Investment Agreement provides for the following arrangements between the Parties:

- Mr. Vikram Pandit and Mr. Hariharan Aiyar have agreed to cause the funds to invest into the Company subject to, and in accordance with the terms of the Investment Agreement.

- *Board of directors:* So long as the Investor along with its affiliates, holds not less than 15% (fifteen per cent) of the total issued and paid up share capital of the Company on a Fully Diluted Basis, the Investor shall have a right to (i) nominate for appointment by the Board 2 (two) Directors ("**Investor Directors**"); and (ii) designate Mr. Vikram Pandit as Non-Executive Chairman and Mr. Hariharan Aiyar as Non-Executive Vice Chairman, so long as Mr. Vikram Pandit and Mr. Hariharan Aiyar are Directors. the Board may appoint such number of independent directors that are required in terms of any regulatory requirements and commensurate with business needs and are mutually acceptable to JMFL and the Investor.

- *Further issue of capital*: Save and except the investments which have been contemplated in the Agreement, in the event the Company is desirous of issuing additional capital, then the Company shall, unless otherwise agreed to by the Parties, issue Equity Shares and/or equity linked instruments to the then existing shareholders of the Company on a rights issue basis in proportion of their shareholding in accordance with applicable Law at the lowest price which may be permitted under applicable Law or such price as may be mutually agreed to between JMFL and the Investor.

- *Initial public offering:* The Parties will use their best efforts to complete an initial public offering of the Company and list its equity shares on the National Stock Exchange of India Limited, the BSE Limited and/or any recognized Indian or international stock exchange, as may be decided by the board of the Company within five years from the final closing date, unless mutually agreed in writing between the Investor and JMFL for postponement of an IPO by the Company due to unfavourable market condition or other good and sufficient reason.

Main objects of our Company

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

- 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 to guarantee the performance of any contract or obligation and the payment of money by any persons or companies or make investments in securities, derivatives and all such types of financial products 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 the applicable laws and directives of Reserve Bank of India.

- To carry on the business of and act as financial and management consultants, marketing consultants, consultants on market research, sales promotion, data processing and programming by means of computers and data processing machines.

Subsidiaries or associate companies

As on the date of this Draft Shelf Prospectus our Company has no subsidiary or 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.

As of the date of this Draft Shelf Prospectus, we have 6 (six) Directors on the Board, out of which two Directors are Independent Directors.

Details relating to Directors

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
Mr. Vikram Pandit Age: 61 years Non-Executive Chairman (Nominee Director) DIN: 07062676 Term: Five years commencing from January 6, 2015	USA	January 6, 2015	310 East 53rd Street Apartment #29C, New York 10022, United States	1. Bombardier, Inc. 2. Virtusa Corporation
Mr. Hariharan Aiyar Age: 50 years Non-Executive Vice Chairman (Nominee Director) DIN: 01374306 Term: Liable to retire by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013	USA	November 20, 2014	1501, 15th Floor, Lodha Costiera, Nepean Sea Road, Mumbai 400 036, Maharashtra, India	1. SV India Opportunities Advisors Private Limited
Mr. V P Shetty Age: 70 years Non-Executive Director (Nominee Director) DIN: 00021773 Term: Liable to retire by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013	Indian	July 15, 2014	B-1802, 18th Floor, Ansal Heights, G.M. Bhosale Marg, Worli Naka, Worli, Mumbai 400 018, Maharashtra, India	1. JM Financial Products Limited 2. JM Financial Asset Reconstruction Company Limited 3. JM Financial Home Loans Limited 4. JM Financial Asset Management Limited
Ms. Dipti Neelakantan Age: 59 years Non-Executive Director (Nominee Director) DIN: 00505452 Term: Liable to retire by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013	Indian	October 28, 2015	1203A, Birchwood, Hiranandani Gardens, Powai, Mumbai 400 076, Maharashtra, India	1. JM Financial Services Limited 2. JM Financial Institutional Securities Limited 3. Infinite India Investment Management Limited 4. Kampani Consultants Limited

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
Mr. Darius E Udwadia Age: 78 years Independent Director DIN: 00009755 Term: Five years commencing from July 16, 2015	Indian	July 16, 2015	Empress Court, 142, M-Karve Road, Mumbai 400 020, Maharashtra, India	1. ABB India Limited 2. Conservation Corporation of India Private Limited 3. Concast (India) Limited 4. Habasit Iakoka Private Limited 5. ITD Cementation India Limited 6. JM Financial Limited 7. JM Financial Trustee Company Private Limited 8. MPS Limited 9. Quantum Advisors Private Limited 10. Rossi Gearmotors (India) Private Limited 11. The Bombay Burmah Trading Corporation Limited
Dr. Anup Shah Age: 41 years Independent Director DIN: 00293207 Term: Five years commencing from March 29, 2016	USA	March 29, 2016	Suite 8, Jal Kiran, Cuffe Parade, Mumbai 400 005, Maharashtra, India	1. Claris Lifesciences Limited 2. Jaicorp Limited 3. JM Financial Capital Limited 4. JM Financial Services Limited 5. Knowhowhub.com Private Limited 6. Landmark Business Service Centre Private Limited 7. Macro Investment and Financial Consultants Private Limited 8. Marathon Nextgen Realty Limited 9. Mahindra Susten Private Limited 10. Prince Pipes and Fittings Limited 11. Health and Education Foundation 12. Jaicorp Welfare Foundation

Profile of Directors

Mr. Vikram Pandit is the Non-Executive Chairman and Nominee Director representing INH Mauritius 1 in the Company since January 6, 2015. He serves as a Director on the Board of Directors of Bombardier, Inc. and Virtusa Corporation.

Mr. Hariharan Aiyar is the Non-Executive Vice Chairman and Nominee Director representing INH Mauritius 1 in the Company since November 20, 2014. He serves as a Director on the Board of Directors of SV India Opportunities Advisors Private Limited and Managing Partner in Build India Capital Advisors LLP.

Mr. V P Shetty is the Non-Executive Director and Nominee Director representing JMFL in the Company since July 15, 2014. He is the Non-Executive Chairman of JM Financial Asset Reconstruction Company Limited, JM Financial Products Limited, JM Financial Home Loans Limited and JM Financial Asset Management Limited.

Ms. Dipti Neelakantan is the Non-Executive Director and Nominee Director representing JMFL in the Company since October 28, 2015. She has been associated with the JM Financial group since 1981 working in various capacities, locations and disciplines within our Group. She serves as a Director on the Board of Directors of JM Financial Services Limited, JM Financial Institutional Securities Limited, Infinite India Investment Management Limited and Kampani Consultants Limited.

Mr. Darius E Udwadia is an Independent Director of our Company since July 16, 2015. He serves as a Director on the Board of Directors of several companies such as JM Financial Limited, ABB India Limited and The Bombay Burmah Trading Corporation Limited.

Dr. Anup Shah is an Independent Director of our Company since March 29, 2016. He serves as a Director on the Board of Directors of several companies such as JM Financial Services Limited, JM Financial Capital Limited, Jaicorp Limited and Claris Lifesciences Limited.

Relationship between the Directors

None of the Directors are related to each other.

Remuneration of the Non-Executive and Independent Directors

Pursuant to a resolution passed at the meeting of the Board of the Company on July 16, 2015, sitting fees of ₹ 50,000 is payable to Non – Executive & Independent Directors for attending each meeting of the Board, ₹ 25,000 for attending each meeting of the Audit Committee, ₹ 10,000 for attending each meeting of the NRC and ₹ 10,000 for attending each meeting of the CSR 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 of the Non-Executive directors are not entitled to any other remuneration from the Company.

The Members at their 36th AGM held on July 25, 2016 have approved enabling provision to pay, the Directors (excluding the Managing Director and Whole Time Directors) 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. No commission has been paid to the Directors as of the date of this Draft Shelf Prospectus.

Other understandings and confirmations

No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list maintained by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority.

Borrowing powers of the Board

Pursuant to a resolution passed by the Members at their EGM held on April 30, 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, 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 of the Company and its free reserves. 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 exceed ₹ 100,000 million (Rupees one lakh million only).

Interest of our Directors

The Non-Executive 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 other remuneration and reimbursement of expenses payable to them pursuant to our Articles of Association. In addition, save for our Independent Directors, our Directors would be deemed to be interested to the extent of interest receivable on loans advanced by the Directors, rent received from the Company for lease of immovable properties owned by Directors and to the extent of remuneration paid to them for services rendered as officers or employees of the Company. Mr. Darius E Udwadia and Dr. Anup Shah, the Independent Directors, were paid remuneration by way of sitting fees of ₹ 0.37 million and ₹ 0.41 million, respectively, for attending the meetings of the Board and its committees for Fiscal 2018.

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 promoters.

Some of our Directors may be deemed to be interested to the extent, including 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 13 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 on page 206 in the 'Financial Information' 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 immovable 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 Promoters/Directors out of the objects of the issue. Further, our Directors may deem to have no interest in the formation or promotion of the Company.

Other disclosures

Mr. Vikram Pandit and Mr. Hariharan Aiyar are the Nominee Directors of INH Mauritius 1 which currently holds 48.6216% in the total issued and paid up share capital of the Company. As per the Articles of Association of the Company, they will cease to be a director of the Company if INH Mauritius 1 withdraws their nomination or ceases to hold at least 15% (fifteen per cent) of the total issued and paid up share capital of the Company on a fully diluted basis. Ms. Dipti Neelakantan and Mr. V P Shetty are the Nominee Directors of JMFL which currently holds 50.0100% in the total issued and paid up share capital of the Company. As per the Articles of Association of the Company, they will cease to be a director of the Company if JMFL withdraws their nomination or ceases to hold at least 15% (fifteen per cent) of the total issued and paid up share capital of the Company.

Debentures/Subordinated Debt holding of Directors

Our Directors do not hold any debentures/Subordinated Debt in the Company.

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/cessation	Remarks
Mr. Darius E Udwadia	Independent Director	00009755	July 16, 2015	NA	Appointment
Dr. Anup Shah	Independent Director	00293207	March 29, 2016	NA	Appointment
Ms. Dipti Neelakantan	Non-Executive Director	00505452	October 28, 2015	NA	Appointment
Mr. Manish Sheth	Non-Executive Director	00109227	November 20, 2014	October 28, 2015	Cessation
Mr. Vishal Kampani	Non-Executive Director	00009079	November 20, 2014	April 27, 2018	Cessation

Holding of Securties by our Directors

Our Directors do not hold any securities in the Company as on the date of this Draft Shelf Prospectus.

Key managerial personnel of our Company

Our operations are presently overseen under the overall supervision of the Board of Directors and with the framework of various committees including Credit Committee, Asset Liability Management Committee, Risk Committee, etc., by a team of 30 employees.

Following are the key managerial personnel responsible for the day to day operations of the Company:

Mr. Shashwat Belapurkar is the Chief Executive Officer of our Company. He has over 20 years of experience in the Indian Fixed Income Industry. He holds a masters diploma in business administration and a bachelors of science in Physics from the University of Pune, Maharashtra, India. He has worked with the global markets group of Bank of America for 11 years before joining JM Financial group in 2009.

Mr. Gagan Kothari is the Chief Financial Officer of our Company since May 19, 2015 and has been associated with JM Financial group since 2006. He is a member of the Institute of Chartered Accountants of India.

Mr. Hemant Pandya is the Company Secretary and Compliance Officer of our Company since November 1, 2015. He is a fellow member of the Institute of Company Secretaries of India.

Corporate Governance

We are in compliance with the requirements in relation to the composition of the Board of Directors and constitution of committees such as audit committee and nomination and remuneration committee as mandated in the Companies Act, 2013. Pursuant to a RBI Circular dated May 08, 2007 (including modifications made from time to time) and the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, all NBFC-ND-SIs are required to adhere to certain corporate governance norms including constitution of audit committee, nomination committee, risk management committee and certain other norms in connection with disclosure and transparency and connected lending. We are in compliance with these corporate governance requirements.

Currently, our Board has six 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) Credit Committee

(d) Asset Liability Management Committee;

(e) Risk Management Committee;

(f) Nomination and Remuneration Committee;

(g) Corporate Social Responsibility Committee; and

(h) NCD Public Issue Committee.

Audit Committee

The Audit Committee of our Board was constituted vide board resolution dated July 15, 2014 pursuant to Section 177 of the Companies Act, 2013. The Audit Committee was reconstituted vide board resolution dated January 16, 2018 and as on the date of this Draft Shelf Prospectus, it comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Dr. Anup Shah	Chairman	Independent Director
Mr. Darius E Udwadia	Member	Independent Director
Mr. Hariharan Aiyar	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 monitoring the auditor's independence and performance, and effectiveness of audit process;
- examining the financial statements 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 undertaking or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems; and
- monitoring the end use of funds raised through public offers and related matters.

Allotment Committee

The Allotment Committee of our Board was constituted vide board resolution dated October 20, 2014. The Allotment was reconstituted vide board resolution dated April 30, 2018 and as on the date of this Draft Shelf Prospectus, it comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. V P Shetty	Chairman	Non-Executive Director
Mr. Hariharan Aiyar	Member	Non-Executive Director
Ms. Dipti Neelakantan	Member	Non-Executive Director

Terms of reference of the Allotment Committee include:

- allotment of securities issued by the Company from time to time;
- issue of new certificates for equity shares, NCDs and such other securities that may be allotted by the Company from time to time; and
- issue of duplicate certificates for the equity shares, NCDs and such other securities.

Asset Liability Management Committee

The Asset Liability Management Committee was constituted vide board resolution dated November 20, 2014. The Asset Liability Management Committee was reconstituted vide board resolution dated April 30, 2018 and as on the date of this Draft Shelf Prospectus, it comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. V P Shetty	Chairman	Non-Executive Director
Mr. Hariharan Aiyar	Member	Non-Executive Director
Mr. Vikram Pandit	Member	Non-Executive 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; and
- reviewing risk monitoring system, ensure payment of liability on its due dates, liquidity risk management, funding and capital planning, profit planning and growth projections, forecasting and analysing different scenarios and preparation of contingency plans.

Risk Management Committee

The Risk Management Committee was constituted vide board resolution dated November 20, 2014 and as on the date of this Draft Shelf Prospectus, comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. V P Shetty	Chairman	Non-Executive Director
Mr. Hariharan Aiyar	Member	Non-Executive 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 include:

- 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 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 and any other regulatory authority, as prescribed from time to time.

Credit Committee

The Credit Committee was constituted vide board resolution dated November 20, 2014. The Credit Committee was reconstituted vide board resolution dated April 30, 2018 and as on the date of this Draft Shelf Prospectus, it comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Hariharan Aiyar	Chairman	Non-Executive Director
Mr. V P Shetty	Member	Non-Executive Director

Terms of reference of the Credit Management Committee include:

- scrutinizing the loan proposals and if satisfied approving the sanction of the loan proposal;
- overviewing the Company's financial positions and the requirements of the fund; and
- deciding the amounts to be borrowed by issuing Debentures/Inter Corporate Deposits of varied maturities.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted vide board resolution dated November 20, 2014. The Nomination and Remuneration Committee was reconstituted vide board resolution dated April 30, 2018 and as on the date of this Draft Shelf Prospectus, it comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Darius E Udwadia	Chairman	Independent Director
Mr. Hariharan Aiyar	Member	Non-Executive Director
Dr. Anup Shah	Member	Independent 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 persons who are qualified to become directors and who may be appointed in senior management, recommend to the Board their appointment and removal;
- evaluating the performance of directors;
- recommending to the Board of Directors, a policy relating to the remuneration for the directors, key managerial personnel and other employees of the Company; and
- approving the remuneration of Whole-Time Director, Managing Director & CEO, Key Managerial Personnel and other employees of the Company, from time to time.

CSR Committee

The CSR Committee was constituted by our Directors vide board resolution dated July 16, 2015. The CSR Committee was reconstituted vide board resolution dated April 30, 2018 and as on the date of this Draft Shelf Prospectus, it comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Ms. Dipti Neelakantan	Member	Non-Executive Director
Mr. Hariharan Aiyar	Member	Non-Executive Director
Mr. Darius E Udwadia	Member	Independent Director

Terms of reference of the CSR Committee include:

- 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; and
- instituting a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company.

NCD Public Issue Committee

The NCD Public Issue Committee was constituted by our Directors vide board resolution dated April 30, 2018 and as on the date of this Draft Shelf Prospectus, it comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. V P Shetty	Chairman	Non-Executive Director
Mr. Hariharan Aiyar	Member	Non-Executive Director
Dr. Anup Shah	Member	Independent Director

The brief terms of reference of the NCD Public Issue Committee include:

- 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; and

- to decide the terms of the Issue including the total number of NCDs to be issued, issue price and other terms and conditions for issuance of the Debentures to be offered in the Issue, and suitably vary the size of the Issue, in consultation with the Lead Managers.

Relatives of directors

No persons, who are relatives of directors, hold office or place of profit in our Company.

OUR PROMOTER

Profile of our Promoter

(a) Our Promoter, JM Financial Limited (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, in terms of the provisions of the Companies (Amendment) Act, 1988 read with the Companies Act, 1956. On September 15, 2004, the name of the company was changed to JMFL.

(b) JMFL was classified as a systemically important non-deposit taking core investment company (CIC-ND-SI) under 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 & Investment Consultancy Services Private Limited in September 1973, the major shareholder and promoter of JMFL, its 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 400 025 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 understanding and confirmations

Our Promoter has confirmed that it has not been identified as willful defaulter by the RBI or any other governmental authority.

No violation of securities laws have been committed by our Promoter in the past or are currently pending against it. Our Promoter or directors are not 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, at any time.

Common Pursuits of Promoters 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 Products Limited

For further details, see section titled "*Risk Factors"* at page 13 of this Draft Shelf Prospectus. For further details on the related party transactions, to the extent up to which our Company is involved, see the section titled "*Financial Information*" at page 206 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 206, other than as our shareholder, our Promoter, does not have any other interest in our Company. Further, our Promoter have not given any personal guarantees in relation to loan facilities availed by our Company. For further details see the section titled "*Disclosures on Existing Financial Indebtedness*" at page 117 of this Draft Shelf Prospectus.

Our Promoter does not propose to subscribe to the Issue.

Details of Shares allotted to our Promoter during the last three Financial Years

No shares have been allotted to the Promoter during the last three Financial Years.

Shareholding Pattern of JMFL, our Promoter as on March 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 a % of (A+B+C2)	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 (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*	13	520488258	0	0	520488258	62.12	520488258	0	520488258	62.12	0	62.12	0	0	0	0	520488258
(B)	Public	54772	317392000	0	0	317392000	37.88	317392000	0	317392000	37.88	0	37.88	0	0		NA	313921733
(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	**54785**	**837880258**	**0**	**0**	**837880258**	**100.00**	**837880258**	**0**	**837880258**	**100.00**	**0**	**100.00**	**0**	**0**	**0**	**0**	**834409991**

$ Number of Shareholders are on the basis of folio numbers and/or client id nos.
@ As of March 31, 2018 based on the beneficiary position with the Depositories.
* Includes person(s) having control over the Company and person(s) acting in concert. Shareholding of the Promoter/Promoter Group as above has been consolidated on the basis of PAN in accordance with the SEBI Circular No. CIR/CFD/CMD/13/2015 dated November 30, 2015.

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**		**6**	**192308750**	**0**	**0**	**192308750**	**22.95**	**192308750**	**NA**	**192308750**	**22.95**	**NA**	**22.95**	**0**	**0**	**0**	**0**	**192308750**
1	Nimesh Kampani∞	AAHPK2701P		134107500	**0**	**0**	134107500	16.01	134107500		**134107500**	**16.01**		16.01					134107500
2	Aruna Kampani#	AAPPK2879N		38451250	**0**	**0**	38451250	4.59	38451250		**38451250**	**4.59**		4.59					38451250
3	Amishi Kampani#	ANLPK3297K		8000000	**0**	**0**	8000000	0.95	8000000		**8000000**	**0.95**		0.95					8000000
4	Vishal Kampani#	AABPK5329F		10500000	**0**	**0**	10500000	1.25	10500000		**10500000**	**1.25**		1.25					10500000

5	Nimesh Kampani*	AAAHN3025Q		1250000	**0**	**0**	1250000	0.15	1250000		**1250000**	**0.15**		0.15					1250000
6	Ashith Kampani																		
(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)**																		
	a) Bodies Corporate		**7**	**328179508**	**0**	**0**	**328179508**	**39.17**	**328179508**	**NA**	**328179508**	**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	24.28	203406600		**203406600**	**24.28**		24.28					203406600
2	J M Assets Management Private Limited	AAACJ1238J		103042908	0	0	103042908	12.30	103042908		**103042908**	**12.30**		12.30					103042908
3	JSB Securities Limited	AAACJ1402A		6505000	0	0	6505000	0.78	6505000		**6505000**	**0.78**		0.78					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)		**13**	**520488258**	**0**	**0**	**520488258**	**62.12**	**520488258**	**NA**	**520488258**	**62.12**	**NA**	**62.12**	**0**	**0**	**0**	**0**	**520488258**
	Foreign	**NA**	0	0	0	0	0	0	0	NA	NA	NA	NA	0	0	0	0	0	0
(2)	Individuals (Non-Resident Individuals/ Foreign Individuals)		0	0	0	0	0	0	0	NA	NA	NA	NA	0	0	0	0	0	0
(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)		**13**	**520488258**	**0**	**0**	**520488258**	**62.12**	**520488258**	**NA**	**520488258**	**62.12**	**NA**	**62.12**	**0**	**0**		**0**	**520488258**

Relative of a person who is in control of the company

∞ Person who is in control of the Company *Represents Nimesh Kampani HUF

`@ As of March 31, 2018 based on the beneficiary position with the Depositories.

(**) The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

$ Shareholding of the Promoter/Promoter Group as above has been consolidated on the basis of PAN in accordance with the SEBI Circular No. CIR/CFD/CMD/13/2015 dated November 30, 2015.

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	33620152	0	0	33620152	4.01	33620152	NA	33620152	4.01	NA	4.01	0	0	NA		33620152
	IDFC Premier Equity Fund	AAETS9556K		12391138	0	0	12391138	1.48	12391138	NA	12391138	1.48	NA	1.48					12391138
(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		1	12312	0	0	12312	0.00	12312	NA	12312	0.00	NA	0.00	0	0	NA		12312
(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		140	134981643	0	0	134981643	16.11	134981643	NA	134981643	16.11	NA	16.11	0	0	NA		134981643
	Baron Emerging Markets Fund	AAECB4051F		20302025	0	0	20302025	2.42	20302025		20302025	2.42		2.42					20302025
	Valiant Mauritius Partners Offshore Limited	AACCV8509Q		14073813	0	0	14073813	1.68	14073813		14073813	1.68		1.68					14073813
	TIMF Holdings	AAFCT0480M		15602096	0	0	15602096	1.86	15602096		15602096	1.86		1.86					15602096
	Valiant Mauritius Partners Limited	AACCV8506B		9480359	0	0	9480359	1.13	9480359		9480359	1.13		1.13					9480359
(f)	Financial Institutions/Banks		3	745484	0	0	745484	0.09	745484	NA	745484	0.09	NA	0.09	0	0	NA		745484
	Not applicable								0		0	0.00							

(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)		**153**	**169359591**	**0**	**0**	**169359591**	**20.21**	**169359591**	**NA**	**169359591**	**20.21**	**NA**	**20.21**	**0**	**0.00%**	**NA**	**169359591**
(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.		52585	51957156	0	0	51957156	6.20	51957156	NA	51957156	6.20	NA	6.20	0	0	NA	48526639
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakhs.		45	41419534	0	0	41419534	4.94	41419534	NA	41419534	4.94	NA	4.94	0	0	NA	41419534
(b)	NBFCs registered with RBI		12	653969	0	0	653969	0.08	653969	NA	653969	0.08	NA	0.08	0	0	NA	653969
(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 figure)		0	0	0	0	0	0	0	NA	0	0.00	NA	0	0	0	NA	0
(e)	Any Other (Specify)		1977	54001750	0	0	54001750	6.45	54001750	NA	54001750	6.45	NA	6.45	0	0	NA	53962000
i)	Bodies Corporate		765	20714750	0	0	20714750	2.47	20714750	NA	20714750	2.47	NA	2.47	0	0	NA	20680000
ii)	Clearing Member		180	791475	0	0	791475	0.09	791475	NA	791475	0.09	NA	0.09	0	0	NA	791475
iii)	Individual NRI- Rep.- Non Rep.		1021	14498569	0	0	14498569	1.73	14498569	NA	14498569	1.73	NA	1.73	0	0	NA	14493569
	Vikram Shankar Pandit	*BMBPP6041G*		*11646939*			*11646939*	*1.39*	11646939	NA	11646939	1.39	NA	*1.39*	0	0	*NA*	*11646939*
iv)	Trust		10	16831673	0	0	16831673	*2.01*	16831673	NA	16831673	2.01	NA	2.01	0	0	NA	16831673
	Azim Premji Trust	*AACTA8629B*		*15335974*	*0*	*0*	*15335974*	*1.83*	15335974	*NA*	15335974	1.83	*NA*	*1.83*	0	0	*NA*	*15335974*
v)	Any Other (specify)- IEPF		1	1165283	0	0	1165283	0.14	1165283	NA	1165283	0.14	NA	0.14	0	0	NA	1165283
vi)	Foreign Individuals		0	0	0	0	0	*0.00*	0		0	0.00	NA	0.00	0	0	NA	0
	Sub- Total (B)(3)		**54619**	**148032409**	**0**	**0**	**148032409**	**17.67**	**148032409**	**NA**	**148032409**	**17.67**	**NA**	**17.67**	**0**	**0.00%**	**NA**	**144562142**
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)		**54772**	**317392000**	**0**	**0**	**317392000**	**37.88**	**317392000**	**NA**	**317392000**	**37.88**	**NA**	**37.88**	**0**	**0.00%**	**NA**	**313921733**

	(3)																	

$ Number of Shareholders are on the basis of folio numbers and/or client id nos.

`@ As of March 31, 2018 based on the beneficiary position with the Depositories.

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(calculate d 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 (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.**	**As a % of total shares held**	**No. (Not applicable)**	**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**		

$ Number of Shareholders are on the basis of folio numbers and/or client id nos.

`@ As of March 31, 2018 based on the beneficiary position with the Depositories.

Details of shares pledged or encumbered by the Promoter as of the date of this Draft Shelf Prospectus

No shares have been pledged or encumbered by the Promoter as of the date of this Draft Shelf Prospectus.

Payment of benefits to our Promoter during the last two years

Other than as disclosed under the "Related Party Transactions" segment of the Financial Statements of the Company, available at page 206 of this Draft Shelf Prospectus, the Company has not made payments of any benefits to its Promoter during the last two years preceding the date of this Draft Shelf Prospectus.

Interest of our Promoters in property, land and construction

Except as stated in the section titled "*Financial Information*" at page 206 of this Draft Shelf Prospectus, our Promoter does 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.

DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

The outstanding borrowings of the Company as on March 31, 2018 are as follows:

(In ₹million)

S.No.	Nature of borrowings	Amount
1.	Secured borrowings*	47,618.6
2.	Unsecured borrowings**	8,150.0

**Borrowing through Non-Convertible Debentures shown at face value without considering premium on issue ₹3.7 million.*
***Borrowing through commercial papers shown at face value without considering discount of ₹284.3 million*

Set forth below, is a summary of the borrowings by our Company as at March 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 March 31, 2018 amount to ₹ 47,618.6 million. The details of the individual borrowings are set out below:

1. ***Cash Credit / WCDL facilities availed by the Company***

(In ₹million)

S. No.	Bank	Date of Sanction	Amount sanctioned*	Amount outstanding as on March 31, 2018
1.	State Bank of India	March 30, 2015	1,000.0	504.1
2.	HDFC Bank	March 01, 2016	200.0	
3.	IDBI Bank	October 20, 2015	500.0	34.0
4.	Punjab National Bank	September 30, 2015	250.0	-

**Secured by way of a first pari passu charge on standard book debts / book receivables.*

2. ***Term Loans availed by the Company***

(In ₹ millions)

S.No.	Bank/ Financial institution	Date of sanction	Amount sanctioned*	Amount outstanding as on March 31, 2018	Repayment date / schedule	Penalty	Pre-payment
1.	Axis Bank Limited	March 23, 2017	1,000.0	800.0	Five equal half yearly installments from 12 months from first date of disbursement	Non-payment of interest/installment on the due date will attract penal interest at 2% on the overdue interest/installment.	In the event the borrower wants to prepay out of its own funds or out of inter-corporate deposits, there will be no pre-payment charges. However, in the event the

							borrower replaces the term loan with another term loan of a different bank, the prepayment of loan will be accepted on terms and conditions to be decided by the bank.
2.	State Bank of India**	October 17, 2015	500.0	194.2	18 equal monthly installment of 27.8 million each payable from 19th month after 18 months moratorium	Non-payment of interest/installment on the due date will attract penal interest at 1% on irregular portions up to occasions of default and thereafter on the entire outstandings.	NIL if prepaid from own sources, otherwise 2% per annum of the prepaid amount.
3.	State Bank of India	March 30, 2015	2,000.0	109.6	18 monthly installments of 111.2 million each after a moratorium of 18 months from first date of disbursement	Any adverse deviation by more than 20% from the levels stipulated in the sanction letter for a minimum period of one year will attract penalty at 1% per annum. Default in payment of interest or installment will attract penalty at 2% per annum.	NIL if prepaid from own sources, otherwise 2% per annum of the prepaid amount.
4.	State Bank of India	February 22, 2016	1,500.0	1,500.0	18 equal monthly installments of 83.3 million after moratorium of 30 months from the date of first disbursement	Non-payment of interest/installment on the due date will attract penal interest at 1% on irregular portions up to occasions of default and thereafter on the entire outstandings.	NIL, if it is at the instance of the lender or from additional equity. 1% per annum in case of takeover by other bank or financial institution.
5.	State Bank of India	January 30, 2017	2.250.0	2,250.0	18 equal monthly installments of 125.0 million after moratorium of 30	Non-payment of interest/installment on the due date will attract penal interest	NIL, if it is at the instance of the lender or from additional equity or from internal accruals.

					months from the date of first disbursement	at 1% on irregular portions up to occasions of default and thereafter on the entire outstandings.	1% p.a. in case of takeover by other Bank or financial institution.
6.	State Bank of India***	March 22, 2016	750.0	600.0	10 equal quarterly installments of 75.0 million starting from 21st months after moratorium of 18 months	Non-payment of interest/installment on the due date will attract penal interest at 1% on irregular portions up to occasions of default and thereafter on the entire outstandings.	NIL if prepaid from own sources, otherwise 2% p.a. of the prepaid amount.
7.	Syndicate Bank	September 22, 2015	1,000.0	600.0	5 equal quarterly installment to start from the end of 21st months after moratorium of 18 months	Penal interest at 0.50% per annum on the outstanding liability shall be collected if the audited financial statements are not submitted within 7 months from the date of closure of the financial year.	NIL after notice of seven days, otherwise 2% per annum on outstanding balance for remaining period of loan.
8.	Syndicate Bank	September 26, 2017	2,000.0	2,000.0	8 equal quarterly installment after moratorium of 24 months	Penal interest at 0.50% per annum on the outstanding return on investment shall be collected if the audited financial statements are not submitted within 7 months from the date of closure of the financial year.	NIL if prepaid from own sources, along with CA Certificate confirming prepayment is from own source. In all other cases, the borrower is required to pay commitment charges, as per the policy of the bank.
9.	Bajaj Finance Limited[#]	February 26, 2018	750.0	750.0	4 equal quarterly installments after moratorium of 24 months	In case of a delay or default in repayment of any facility, the Company shall not allow any payout by way of interest to other subordinate	NIL after notice of seven days.

						lenders by way of dividend to shareholders.	
10.	Bajaj Finance Limited[#]	September 08, 2017	500.0	500.0	4 equal quarterly installments after moratorium of 24 months	In case of a delay or default in repayment of any facility, the Company shall not allow any payout by way of interest to other subordinate lenders by way of dividend to shareholders.	NIL after notice of 30 days.
11.	Bank of Baroda	March 01, 2016	1,000.0	666.9	18 monthly installments commencing from 19th Month from the date of first disbursement after moratorium of 18 months	Penal interest at 2% per annum due to default in payment of interest or principal, non/delayed submission of requisite data and default in observing financial covenants.	NIL if prepaid from own sources, otherwise 2% per annum.
12.	Bank of Baroda	March 10, 2017	1,500.0	1,499.3	8 quarterly installments of 187.5 million after moratorium of 24 months	Penal interest at 2% per annum due to default in payment of interest or principal, non/delayed submission of requisite data and default in observing financial covenants.	NIL if prepaid from own sources, otherwise 2% per annum.
13.	Canara Bank	March 20, 2017	2,000.0	1,997.3	10 equated quarterly instalments, after a moratorium of 18 months	10 equated quarterly instalments, after a moratorium of 18 months	NIL after notice of 30 days. On any other date, prepayment charges of 2% over and above the applicable rate shall be applied.
14.	The Federal Bank Limited	December 09, 2016	500.0	500.0	6 quarterly installments after moratorium of 18 months from the date of first disbursement	2% per annum for delay in service of interest or principal.	NIL if repaid from own sources after 1 year. In the event of pre-payment within one year, 1% per annum. The rate would be 2% per annum in the event

							of prepayment on account of takeover by other banks.
15.	HDFC Bank Limited	March 01, 2016	400.0	133.3	Payable in 12 equal quarterly installments	2% per annum for all overdues/delays and of any monies payable.	NIL if prepaid from own sources with notice of 30 days along with a certificate from a chartered accountant, confirming prepayment is from the borrower's own sources. Otherwise the rate would be 2% per annum of the amount prepaid using borrowed funds.
16.	HDFC Bank Limited	September 20, 2017	500.0	437.5	Tenor : 36 months with principal payable quarterly	2% per annum for all overdues/delays and of any monies payable.	NIL.
17.	HDFC Bank Limited	March 23, 2018	1,200.0	1,200.0	Tenor : 36 months with principal payable quarterly	2% per annum for all overdues/delays and of any monies payable.	-
18.	IDBI Bank	April 07, 2016	1,000.0	650.0	10 equal quarterly installments of after moratorium of 18 months	Liquidated damages at 2% per annum due to default in payment of any principal or installment on the amounts defaulted.	Prepayment to be governed by the guidelines applicable within the bank at that point of time.
19.	Punjab National Bank	September 30, 2015	750.0	750.0	10 equal monthly installment after 30 months moratorium	Any adverse deviation by more than 20% from the levels stipulated in the sanction letter for a minimum period of one year will attract penalty at 1% per annum. Default in payment of interest or installment will attract penalty at 2% per annum.	The borrower agrees and authorises the bank to levy and recover prepayment charges at 2% of the prepaid amount of the term loan. No prepayment charges would be levied in case such prepayment was effected from the borrower's own source of fund.
20.	Punjab National Bank	March 17, 2016	1,500.0	1,500.0	18 equal monthly installment after 30	Any adverse deviation by more	The borrower agrees and authorises the bank to levy

					months moratorium	than 20% from the levels stipulated in the sanction letter for a minimum period of one year will attract penalty at 1% per annum. Default in payment of interest or installment will attract penalty at 2% per annum.	and recover prepayment charges at 2% of the prepaid amount of the term loan. No prepayment charges would be levied in case such prepayment was effected from the borrower's own source of fund.
21.	Punjab National Bank	March 17, 2017	1,000.0	1,000.0	30 equal monthly installment after 18 months moratorium	Any adverse deviation by more than 20% from the levels stipulated in the sanction letter for a minimum period of one year will attract penalty at 1% per annum. Default in payment of interest or installment will attract penalty at 2% per annum.	The borrower agrees and authorises the bank to levy and recover prepayment charges at 2% of the prepaid amount of the term loan. No prepayment charges would be levied in case such prepayment was effected from the borrower's own source of fund.
22.	RBL Bank Limited	September 25, 2017	1,500.0	1,500.0	10 Quarterly installments after moratorium of 18 months starting from 21st month of disbursement	Penal interest at 2% per annum for non-submission of requisite data, non-perfection of security and non-compliances with facility documents.	NIL, if prepaid from equity raised by the borrower after 24 months from disbursement, along with a certificate from a chartered accountant, confirming that the prepayment is from the borrower's own source. Otherwise, the charges would be 2% per annum of the amount prepaid.
23.	IDFC Bank Limited	December 29, 2017	1,500.0	1,500.0	6 equal half yearly installments		Nil.
24.	Indusind Bank Limited	December 29, 2017	1,000.0	1,000.0	24 equal monthly installments after moratorium of 12 months	One year MLC rate along with penal interest at 2% per annum for non-	Voluntary prepayment penalty of 1% if prepayment is made before one year. However,

						compliance of sanction terms and irregularities in the account.	prepayment within one year without penalty would be allowed if the pricing is not acceptable to the borrower.
25.	Vijaya Bank	February 14, 2018	2,000.0	2,000.0	10 equal quarterly installment after moratorium of 18 months	In case of any default in the payment of loans and advances or in the repayment of interest, the bank will have the right to publish the name of the Company and its directors as willful defaulters.	Borrower agrees to pay commitment charges as per the policy of the bank in case of prepayment.
	TOTAL		**29,600.00**	**25,638.10**			

**Secured by way of a first pari passu charge on standard book debts / book receivables.*
***Previously State Bank of Hyderabad, prior to the merger with State Bank of India.*
****Previously State Bank of Mysore, prior to the merger with State Bank of India.*
 # secured by first pari passu charge over the book receivables / book debts which are not offered to the Banks for their credit facilities.

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:

1. Downgrading in the credit ratings prescribed by the terms of the sanction letter;
2. Failure to maintain CRAR at the levels stipulated by the RBI;
3. Any non-compliance with the norms of the RBI;
4. Any cross-default pursuant to the terms of any other loan agreement;
5. Default in payment of interest for more than the number of days prescribed in the facility documents;
6. Any inclusion of the Company or its Directors in the list of willful defaulters of the RBI;
7. Any insolvency of the Company;
8. Any re-organisation, or change in the management and control of the Company without obtaining the consents of the lenders;
9. Cessation of business;

10. Attachment or distress proceedings against the assets of the Company; and

11. Repudiation, termination, unenforceability or cancellation of any licence.

Further, none of our term loans provide for any rescheduling of the term of the facilities.

3. ***Secured Non-Convertible Debentures***

3.1 Our Company has issued on private placement basis, listed secured redeemable non-convertible debentures of face value ₹ 10,00,000 each under various series of which face value ₹ 21,442.0 million is cumulatively outstanding as on March 31, 2018, the details of which are set forth below:*

Debenture Series	Tenor/ period (days)	Coupon (p.a.) in %	Amount (₹ in Million)	Date of Allotment	Redemption Date/ Schedule	Credit Rating
Tranche B	1140	10.2946	1,000.0	April 28, 2015	June 11, 2018	ICRA AA
Tranche F	1096	10.2609	3,000.0	July 31, 2015	July 31, 2018	IND AA
Tranche I	1092	Zero Coupon	30.0	February 05, 2016	February 01, 2019	IND AA
Tranche J	2008	9.70	200.0	February 09, 2016	August 09, 2021	ICRA AA / IND AA
Tranche K	2008	9.70	100.0	February 26, 2016	August 26, 2021	ICRA AA / IND AA
Tranche L	1128	Zero Coupon	44.0	March 01, 2016	April 03, 2019	IND AA
Tranche M	1125	Zero Coupon	100.0	March 16, 2016	April 15, 2019	IND AA
Tranche N	1126	Zero Coupon	35.0	March 22. 2016	April 22, 2019	IND AA
Tranche P	1162	10.50	500.0	March 30, 2016	June 05, 2019	IND AA
Tranche Q	1106	Zero Coupon	54.0	April 11, 2016	April 22, 2019	IND AA
Tranche R	1091	Zero Coupon	78.0	April 29, 2016	April 25, 2019	IND AA
Tranche S	1826	9.50	50.0	May 06, 2016	May 06, 2021	ICRA AA / IND AA
Tranche T	1826	9.50	100.0	May 24, 2016	May 24, 2021	ICRA AA / IND AA
Tranche U	1826	9.50	100.0	May 31, 2016	May 31, 2021	ICRA AA / IND AA
Tranche V-Option I	1062	Zero Coupon	62.0	June 16, 2016	May 14. 2019	IND AA
Tranche V-Option II	1076		66.0		May 28, 2019	
Tranche V-Option III	1097		50.0		June 18, 2019	
Tranche W-Option I	698	9.7307	400.0	July 15, 2016	June 13, 2018	IND AA

Debenture Series	Tenor/ period (days)	Coupon (p.a.) in %	Amount (₹ in Million)	Date of Allotment	Redemption Date/ Schedule	Credit Rating
Tranche W-Option II	1061	9.7665	100.0		June 11, 2019	
Tranche W-Option III	1095	9.78	75.0		July 15, 2019	
Tranche W-Option IV	1082	Zero Coupon	25.0		July 02, 2019	
Tranche X-Option I	1095	9.70	1,000.0	August 30, 2016	August 30, 2019	ICRA AA / IND AA
Tranche X-Option II	1126	9.69	1,000.0		September 30, 2019	
Tranche Y-Option I	1064	Zero Coupon	110.0	September 06, 2016	August 06, 2019	ICRA AA / IND AA
Tranche Y-Option II	1085	Zero Coupon	57.0		August 27, 2019	
Tranche Z-Option I	1063	Zero Coupon	65.0	October 14, 2016	September 12, 2019	ICRA AA / IND AA
Tranche Z-Option II	1075	Zero Coupon	105.0		September 24, 2019	
Tranche Z-Option III	1089	Zero Coupon	50.0		October 08, 2019	
Tranche Z-Option IV	1110	Zero Coupon	30.0		October 29, 2019	
Tranche AA	1170	Zero Coupon	46.0	January 23, 2017	April 07, 2020	ICRA AA / IND AA
Tranche AB	1220	Zero Coupon	57.0	February 27, 2017	July 01, 2020	ICRA AA / IND AA
Tranche AC	1155	Zero Coupon	37.0	March 06, 2017	May 04, 2020	ICRA AA / IND AA
Tranche AD-Option I	1096	9.25	500.0	March 23, 2017	March 23, 2020	ICRA AA / IND AA
Tranche AD-Option II	1826	9.00	100.0		March 23, 2022	
Tranche AD-Option III	1096	Zero Coupon	500.0		March 23, 2020	
Tranche AD-Option IV	1140	Zero Coupon	20.0		May 06, 2020	
Tranche AE	1822	9.20	700.0	March 29, 2017	March 25, 2022	ICRA AA / IND AA
Tranche AF	1099	Zero Coupon	500.0	June 02, 2017	June 05, 2020	ICRA AA / IND AA
Tranche AG	1461	9.05	1,750.0	June 15, 2017	June 15, 2021	ICRA AA / IND AA
Tranche AH	1096	9.05	300.0	June 22, 2017	June 22, 2020	ICRA AA / IND AA
Tranche AI-Option I	730	8.75	1,250.0	September 12, 2017	September 12, 2019	ICRA AA / IND AA
Tranche AI-Option II	1099	Zero Coupon	250.0		September 15, 2020	
Tranche AJ	1096	9.15	500.0	December 28, 2017	December 28, 2020	ICRA AA / IND AA
Tranche AK	1071	9.15	179.0	January 22, 2018	December 28, 2020	ICRA AA / IND AA

Debenture Series	Tenor/ period (days)	Coupon (p.a.) in %	Amount (₹ in Million)	Date of Allotment	Redemption Date/ Schedule	Credit Rating
Tranche AL-Option I	1278	Zero Coupon	500.0	March 12, 2018	September 10, 2021	ICRA AA / IND AA
Tranche AL-Option II	1369	Zero Coupon	200.0		December 10, 2021	
Tranche AL-Option III	1149	Zero Coupon	135.0		May 04, 2021	
Tranche AM-Option I	715	9.3037	1,250.0	March 22, 2018	March 06, 2020	ICRA AA / IND AA
Tranche AM-Option II	1181	Zero Coupon	1,000.0	March 22, 2018	June 15, 2021	
Tranche AM-Option III	732	9.3133	2,000.0	March 22, 2018	March 23, 2020	
Tranche AN-Option I	1096	9.3606	400.0	March 23, 2018	March 23, 2021	ICRA AA / IND AA
Tranche AN-Option II	1180	Zero Coupon	149.0	March 23, 2018	June 15, 2021	
Tranche AO-Option I	1177	Zero Coupon	51.0	March 26, 2018	June 15, 2021	ICRA AA / IND AA
Tranche AO-Option II	1093	9.3606	28.0	March 26, 2018	March 23, 2021	
Tranche AP	1133	Zero Coupon	454.0	March 28, 2018	May 04. 2021	ICRA AA / IND AA
		Total	**21,442.0**			

**Above debentures are fully secured by pari passu charge over the book receivables / book debts which are not offered to the Banks for their credit facilities and a pari passu charge over identified immovable property.*

4. ***Other Secured Borrowings***

Nature	Name of Lessor	Amount (₹ in Million)	Repayment Schedule
Finance Lease	ORIX Leasing & Financial Services India Limited	0.5	₹ 32,507/- payable per month

B. **Details of Unsecured Loans**

Our Company has ₹ 8,150.0 million unsecured borrowings as on March 31, 2018. The details of the individual borrowings are set out below.

1. ***Subordinated Debts***

Our Company has not issued any subordinated debt that is outstanding as on March 31, 2018

Our Company has not issued on private placement basis, any rated unsecured, redeemable non-convertible listed subordinated debt that is outstanding as on March 31, 2018.

2. Loan from Directors and Relatives of Directors

Our Company does not have any borrowings from directors and relatives of directors as on March 31, 2018 which are in the nature of demand loans and are unsecured.

3. Commercial Papers

Our Company has issued commercial papers of the face value ₹ 5,00,000 aggregating to a total face value ₹ 8,150.0 million as on March 31, 2018. The details of the commercial papers are set forth below:

Sr. No.	ISIN Numbers	Amount (₹in Million)*	Maturity Date
1	INE651J14792	500.0	December 27, 2018
2	INE651J14800	150.0	January 02, 2019
3	INE651J14826	1,000.0	May 02, 2018
4	INE651J14818	500.0	May 07, 2018
5	INE651J14834	500.0	May 18, 2018
6	INE651J14842	750.0	August 20, 2018
7	INE651J14859	500.0	September 14, 2018
8	INE651J14875	1,000.0	March 05, 2019
9	INE651J14867	1,000.0	March 08, 2019
10	INE651J14883	2,250.0	June 18, 2018
Total		**8,150.0**	

*Borrowing through commercial papers shown at face value without considering discount of ₹ 284.3 million

C. **Restrictive Covenants under our Financing Arrangements:**

Some of the restrictive covenants impacting the Company under certain Financing Arrangements include:

1. During the currency of the credit facility, the Company cannot without the consent of the lender conclude any fresh secured borrowing which would lead to dilution of security cover below the stipulated limits.

2. The Company cannot create or permit to subsist any security interest over any of the receivables / security hereunder, unless the security interest created pursuant to any security document or such other security as may be created is with the prior written approval of the lender.

3. The Company is required to inform the lender of any borrowing arrangement either secured or unsecured with any other bank, financial institution and company or otherwise or accept deposits apart from the arrangement indicated in the funds flow statements submitted to the bank from time to time and approved by the lender, up to a deviation of 20% in CMA, immediately upon entering into such arrangement.

4. The prior written consent of the lender obtained by serving a written notice of not less than 30 (thirty) days is required for the Company 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. The prior written consent of the lender obtained by serving a written notice of not less than 30 (thirty) days is required for the Company 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.

6. The Company cannot during the continuance of the term loan agreement sell, dispose of, pledge or otherwise charge or encumber the assets in case the security cover falls below the cover required by the lender or permit any act whereby the security expressly given to the lender shall in anyway be prejudicially affected.

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.

D. **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 existing financing facilities or term loan or debt security including corporate guarantee issued by the Issuer in the past.. The Company has also not issued any corporate guarantee.

E. **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 March 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 March 31, 2018. Certain secured borrowings through non-convertible debentures show at face value without considering premium on issue of ₹ 3.7 million, which are available in Note 4 of the "Financial Statements" on page 206 of this Draft Shelf Prospectus, and borrowings through commercial papers shown at face value without considering discount of ₹ 284.3 million, details of which are available in paragraph B (3) above.

F. **Details of any inter-corporate loans, deposits and other borrowings**

As of March 31, 2018, our Company does not have any outstanding inter-corporate loans or deposits.

G. **Details of rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds, convertible debentures, preference shares, as on March 31, 2018**

Our Company does not have any other borrowings including hybrid debt instruments such as foreign currency convertible bonds, convertible debentures and preference shares as on March 31, 2018.

MATERIAL DEVELOPMENTS

The following material developments have taken place in the Company since March 31, 2018:

1. The annual results of the Company for the financial year 2017-2018 were announced on April 30, 2018.

2. The consolidated financial results of our Promoter, JMFL were announced on May 02, 2018.

SECTION V: ISSUE RELATED INFORMATION

GENERAL TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on April 30, 2018, the Directors approved the issuance to the public of Secured NCDs of face value ₹ 1,000 each and Unsecured NCDs of face value ₹ 1,000 each, aggregating up to ₹ 20,000 million.

The present issue through the Draft Shelf Prospectus of Secured NCDs of face value ₹ 1,000 each and Unsecured NCDs of face value ₹ 1,000 each for an amount aggregating up to ₹ 20,000 million ("**Shelf Limit**"), hereinafter called the "**Issue**" is approved by NCD Public Issue Committee meeting dated May 04, 2018. 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**"), which issue is being made as decided by the NCD Public Issue Committee of the Board of Directors.

Further, the present borrowing is within the borrowing limits of ₹ 100,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders vide their resolution dated April 30, 2018.

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 and the Companies Act, 2013 and regulations framed by the RBI, 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 Appointment 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, 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 a first pari passu charge on the identified immovable property and pari passu charge on book debts, loans and advances, and receivables, both present and future which are not offered to Banks for their credit facilities. The Secured NCDs proposed to be issued under the Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, 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 Company is required to obtain permissions / consents from the prior creditors for proceeding with this Issue. The Company has applied to the prior creditors for such permissions / consents and this is currently pending in relation to a certain prior creditor. The Company is aware that it will only be able to file the Shelf Prospectus with the Registrar of Companies after obtaining such permissions / consents and disclosing the same in the Shelf Prospectus and will ensure that the requisite permissions / consents from the prior creditors, pending on the date of this Draft Shelf Prospectus is obtained before the filing of the Shelf Prospectus.

Ranking of 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 our 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 our 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 at least 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 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 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. This may have a bearing on the timely redemption of the NCDs by our Company.

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, 1956 and Companies Act, 2013 to the extent applicable as on the date of this Draft Shelf Prospectus, 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 Companies Act, 1956 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 to another location after obtaining the consent of the NCD holders as given thereunder.

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 75.0% 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, 1956 and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus, 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 in writing of the holders of at least three-fourths of the outstanding amount of the Unsecured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Unsecured 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 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, 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, 1956 and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Shelf Prospectus, 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 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 Issuer under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders as given thereunder.

6. Subject to compliance with RBI requirements, Unsecured NCDs can be rolled over only with the consent of the Unsecured NCD Holders of at least 75.0% of the outstanding amount of the Unsecured 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 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

If our Company does not receive the minimum subscription of 75 % of the Base Issue, as specified in the respective Tranche Prospectus, prior to the Issue Closing Date for the respective tranche issue, the entire subscription amount shall be refunded to the Applicants within 12 Working Days from the date of closure of the respective tranche Issue. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted In the event, there is a delay, by the Issuer in making the aforesaid refund, the 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 in dematerialised 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 multiples of one NCD. For details of Allotment see the section titled "*Issue Procedure*" at page 150 of this Draft Shelf Prospectus.

Nomination facility to NCD Holders

In accordance with section 72 of the Companies Act, 2013 (read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, 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 his death, during the minority. 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 read with Rules under Chapter IV of Companies Act, 2013, any person who becomes a nominee by virtue of the above said Section, shall upon the production of such evidence as may be required by our 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.

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.

Period of subscription

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., 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 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. 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. 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. 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 Members of the Syndicate 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 rematerialisation 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 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 DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

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 195 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 "General Terms of the Issue" on page 131 of this Draft Shelf Prospectus

The key common terms and conditions of the NCDs* are as follows:

Particulars	Terms and Conditions
Minimum Application Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Mode of allotment	Compulsorily in dematerialised form
Terms of Payment	Full amount on application
Trading Lot	One NCD
Who can apply	**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 ₹ 250 million, 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 ₹ 5,000 million 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

**In terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation, if the NCDs were originally issued in dematerialised form.*

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of Secured NCDs and Unsecured NCDs that can be held by them under applicable statutory and/or regulatory provisions. 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.

For further details, please see "*Issue Procedure*" on page 150 of this Draft Shelf Prospectus.

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs*

Common Terms of NCDs*

Issuer	JM Financial Credit Solutions Limited
Lead Managers	A. K. Capital Services Limited, JM Financial Limited**, Edelweiss Financial Services Limited and Trust Investment Advisors Private Limited
Debenture Trustee	IDBI Trusteeship Services Limited
Registrar to the Issue	Karvy Computershare Private Limited
Type and nature of instrument	Secured NCDs and Unsecured NCDs of face value ₹ 1,000 each
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)	1,000
Minimum application	As specified in the relevant Tranche Prospectus for each Tranche Issue.
In multiples of	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Seniority	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The 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 be secured by way of first ranking *pari passu* floating charge on book debts, loans and advances, and receivables, both present and future, of our Company, which are / will not be offered to Banks 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
Issue	Public issue by our Company of Secured NCDs of face value ₹ 1,000 each and Unsecured NCDs of face value ₹ 1,000 each, for an amount aggregating up to ₹ 20,000 million ("**Shelf Limit**"), hereinafter referred to as the "**Issue**". The Unsecured NCDs will be in the nature of Subordinated Debt and will be eligible for 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**")
Listing	BSE BSE shall be the Designated Stock Exchange for the Issue. The NCDs shall be listed within 12 Working Days from the respective Issue Closing Date.
Lock-in	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Mode of Allotment and Trading	Compulsorily in dematerialised form
Mode of settlement	Please refer to the section titled "Issue Structure" beginning on page 137 of this Draft Shelf Prospectus.
Market / Trading Lot	One NCD
Depositories	NSDL and CDSL
Security	Security for the purpose of this Issue and every Tranche Issue will be created in accordance with the terms of the Debenture Trust Deed. For further details please refer to the section titled "*Issue Structure*" beginning on page 137 of this Draft Shelf Prospectus.
Who can apply/ Eligible Investors	Please refer to the section titled "Issue Procedure" beginning on page 150 of this Draft Shelf Prospectus.
Credit Ratings	

Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated (in million)	Rating definition
ICRA	Non Convertible Debenture	AA/Stable	April 27, 2018	20,000	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.
	INDIA RATINGS	Non Convertible Debenture	AA/Stable	April 27, 2018	20,000	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

	Please refer to Annexures A and B of this Draft Shelf Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA and INDIA RATINGS on under the chapter "*General Information*" on page 40.
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.
Application money	The entire application amount is payable on submitting the 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 57 of this Draft Shelf Prospectus.
Details of the utilisation of Issue proceeds	Please refer to the section titled "Objects of the Issue" on page 57 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	The principal amount on the NCDs along with interest accrued on them as on the Redemption Date.
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 days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India. 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. If the date of payment of interest or any date specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the "**Effective Date**"). Interest or other amounts, if any, will be paid on the Effective Date. For avoidance of doubt, in case of interest payment on Effective Date, interest for period between actual interest payment date and the Effective Date will be paid in normal course in next interest payment date cycle. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. If the maturity date of the debt securities, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day.
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.
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, 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.
Interest on Application Money	Please refer to the section titled "*Issue Structure- Interest on Application Money*" on page 148 of this Draft Shelf Prospectus.
Put/Call Option 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 NCD Public Issue Committee approves the Allotment of the NCDs for each Tranche Issue. 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.
Transaction documents	Issue Agreement dated May 4, 2018 between our Company and the Lead Managers; Registrar Agreement dated May 4, 2018 with the Registrar to the Issue; Escrow Agreement dated • with the Escrow Collection Banks/ Refund Banks; Lead Broker Agreement dated • with the Lead Brokers; Debenture Trustee Agreement dated May 4, 2018 executed between our Company and the Debenture Trustee and the agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee. For further details, please refer to "Material Contracts and Documents for Inspection" on page 204 of this Draft Prospectus.
Conditions precedent and subsequent to the Issue	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Events of default	Please refer to the section titled "Issue Structure-Events of default" on page 147 and 148 of this Draft Shelf Prospectus.
Cross Default	Please refer to the section titled "Issue Structure-Events of default" on page 147 and 148 of this Draft Shelf Prospectus.
Roles and responsibilities of the Debenture Trustee	Please refer to the sections titled "General Terms of the Issue" on page 131 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 terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation, if the NCDs were originally issued in dematerialised form.*

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

**** The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., 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 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. 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. 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. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

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 IT 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 Secured NCDs held in the dematerialised form.

However in case of Secured 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 Secured 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 Secured NCDs, then the tax will be deducted at applicable rate. However in case of Secured NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the Secured 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 Secured NCD Holder, NCD folio number and the distinctive number(s) of the Secured 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 Secured NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each financial year during the currency of the Secured NCD to ensure non-deduction or lower deduction of tax at source from interest on the Secured 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 date of interest payment falls on Saturday, Sundays or holidays of commercial banks in Mumbai, then interest as due and payable on such day, would be paid on the next Working Day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

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 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 NCDs 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 142 of this Draft Shelf Prospectus.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Deemed Date of Allotment

The date on which the Board or the Allotment Committee of the Board of Directors approves the Allotment of the NCDs for each Tranche Issue. 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 for each Tranche Issue, is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund the excess amount paid on application to the applicant in accordance with the terms of this Draft Shelf Prospectus. For further details please refer to the paragraph on "*Interest on Application Money*" beginning on page 148 of this Draft Shelf 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 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 applied / 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 refunds to the applicant at the applicant's sole risk, and neither the Lead Managers our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

In case of ASBA Applicants, 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

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be. Please see the procedure for "*Issue Procedure-Rematerialisation of NCDs*" starting at page 136 of this Draft Shelf Prospectus.

**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.

2. **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.

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/ refunds/ 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/ refund/ redemption 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 / 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 NCDs, for any delay in receiving credit of interest / refund / 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 refund orders and 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 orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of Secured NCDs held in physical form either on account of rematerialisation or transfer, the Secured 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 orders/ warrants will be dispatched to the postal address of the Secured 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 orders/ warrants which can then be deposited only in the account specified.

Loan against Secured 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 Secured 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, 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 demat 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:

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. 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

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). Despatch 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, 1956 and the Companies Act, 2013, as applicable on the date of this Draft Shelf Prospectus, 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

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act/ 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.

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

- the NCDs held in physical form, the person for the time being appearing in the register of NCD Holders 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 Companies Act, 1956/ the relevant provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

For 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.

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 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) 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 NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of *pari passu* charge on the identified immovable property and a *pari passu* charge on book debts, loans and advances, and receivables, both present and future, of our Company.

Our Company will create the security for the NCDs in favour of the Debenture Trustee for the NCD Holders on the assets to ensure 100.00% security cover of the amount outstanding in respect of NCDs, including interest thereon, at any time.

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 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 NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on 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 us 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 or unsecured 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.

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 No. CIR/IMD/DF/18/2013 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be a disclosed in the relevant Tranche Prospectus.

Interest on Application Amount

Interest on application amounts received which are used towards allotment of NCDs

Our Company shall pay interest on application amount against which NCDs are allotted to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment as specified in relevant Tranche Prospectus. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts on the amount Allotted from three Working Days from the date of upload of each Application on the electronic Application platform of the Stock Exchanges upto one day prior to the Deemed Date of Allotment. A tax deduction certificate will be issued for the amount of income tax so deducted.

Our Company 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 Applicants. Alternatively, the interest warrant will be dispatched along with the Letter(s) of Allotment/ NCD Certificates at the sole risk of the Applicant, to the sole/first Applicant.

Interest on application monies received which are liable to be refunded

Our Company shall pay interest on application amount, on all valid applications, which is liable to be refunded to the Applicants (other than Application Amounts received after the Issue Closure Date, and ASBA Applicants) pursuant to the relevant Tranche Prospectus and as specified in relevant Tranche Prospectus, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to the Applicants whose Valid Applications receive (i) partial allotment due to oversubscription or (ii) no allotment due to oversubscription pursuant to the relevant Tranche Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts on the amount

Allotted from three Working Days from the date of upload of each Application on the electronic Application platform of the Stock Exchanges upto one day prior to the Deemed Date of Allotment. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) along with the Letter(s) of Allotment/ Letter(s) of Refund at the sole risk of the Applicant, to the sole/first Applicant.

In the event our Company does not receive a minimum subscription, as specified in relevant Tranche Prospectus on the date of closure of the Issue, our Company shall pay interest on application amount which is liable to be refunded to the Applicants, other than to ASBA Applicants, in accordance with the provisions of the SEBI Debt Regulations and/or the Companies Act, 2013, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable.

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please refer to "Issue procedure - Rejection of Applications" at page 156 of this Draft Shelf Prospectus.

ISSUE PROCEDURE

This section applies to all Applicants. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or 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. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.

ASBA Applicants should note that they may submit their ASBA Applications to the Members of the Syndicate or Trading Members of the Stock Exchange only at the Syndicate ASBA Application Locations, or directly to the Designated Branches of the SCSBs. Applicants other than direct ASBA Applicants are required to submit their Applications to the Members of the Syndicate or Trading Members (at the application centres of the Members of the Syndicate will be mentioned in the Application Form) or make online Applications using the online payment gateway of the Stock Exchanges.

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 ("Debt Application 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.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the 2012 SEBI Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE(S) WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFT SHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE MEMBERS OF THE SYNDICATE AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPOSIBILITY OF SUCH TRADING MEMBERS 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 TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" 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 days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India.

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 ₹ 250 million, 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 ₹ 5,000 million 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.

All categories of persons who are individuals or natural persons (including Hindu Undivided Families acting through their Karta) including without limitation HNIs and Retail Individual Investors who are eligible under applicable laws to hold the NCDs are collectively referred to as "Individuals". All categories of entities, associations, organizations, societies, trusts, funds, partnership firms, Limited Liability Partnerships, bodies corporate, statutory and/or regulatory bodies and authorities and other forms of legal entities who are NOT

individuals or natural persons and are eligible under applicable laws to hold the NCDs including without limitation Institutional Investors and Non Institutional Investors are collectively referred to as "Non Individuals".

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 ASBA Applicants as well as non-ASBA Applicants who are persons resident in India.

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, www.edelweissfin.com and www.trustgroup.in.

(ii) at the designated branches of the SCSB and the Members of the Syndicate at the Syndicate ASBA Application Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A unique application number("**UAN**") will be generated for every Application Form downloaded from the websites 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 Trading Members at their request.

Methods of Application

An eligible investor desirous of applying in the Issue can make Applications by one of the following methods:

1. Applications through the ASBA process; and

2. Non-ASBA Applications.

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.

Applications through the ASBA process

Applicants can submit their Applications through the ASBA process by submitting the Application Forms in physical mode to the SCSB with whom the ASBA Account is maintained or through the Members of the Syndicate or Trading Members (ASBA Applications through the Members of the Syndicate and Trading Members shall hereinafter be referred to as the "**Syndicate ASBA**"), prior to or on the Issue Closing Date. **ASBA Applications through the Members of the Syndicate and Trading Members is 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 ASBA Applicants to Members of the Syndicate and the Trading Members 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 Member of the Syndicate or the Trading Members to deposit the Application Form (A list of such branches is available at http://www.sebi.gov.in). The Members of Syndicate and Trading Members shall accept ASBA 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.

Trading Members shall, upon receipt of physical Application Forms from ASBA Applicants, 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 ASBA 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 be Members of the Syndicate and the Trading Members 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 ASBA Applications accepted by SCSBs and Trading Members, 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 Trading Members in relation to the Issue should be made by Applicants directly to the Stock Exchange.

(i) Non- ASBA Applications for Allotment of the NCDs in dematerialised form

Applicants may submit duly filled in Application Forms either in physical or downloaded Application Forms to the Members of the Syndicate or the Trading Members accompanied by account payee cheques/ demand drafts prior to or on the Issue Closing Date. The Members of the Syndicate and Trading Members shall, upload the non-ASBA Application on the online platforms of the Stock Exchange from 10:00 a.m. to 5:00 p.m. during the Issue Period, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and time and returning it to the Applicant. This acknowledgment slip shall serve as the duplicate of the Application Form for the records of the Applicant and the Applicant should preserve this and should provide the same for any grievances relating to their Applications.

Upon uploading the Application on the online platform of the Stock Exchange, the Members of the Syndicate and Trading Members will submit the Application Forms, along with the relevant payment instruments (cheques or demand drafts) to the Escrow Collection Banks, which will realise the payment instrument, and send the Application details to the Registrar. The Members of the Syndicate/ Trading Members are requested to note that all Applicants are required to be banked with only the designated branches of Escrow Collection Banks, as mentioned in the Application Form. The Registrar shall match the Application details as received from the online platform of the Stock Exchange with the Application Amount details received from the Escrow Collection Banks for reconciliation of funds received from the Escrow Collection Banks. In case of discrepancies between the two data bases, the details received from the online platform of the Stock Exchange will prevail. Upon Allotment, the Registrar will credit the NCDs in the demat accounts of the successful Applicants as mentioned in the Application Form.

Please note that neither our Company, nor the Members of the Syndicate, nor the Registrar to the Issue shall be responsible for redressal of any grievances that Applicants may have in regard to the non-ASBA Applications made to the Trading Members, including, without limitation, relating to non-upload of the Applications data. All grievances against Trading Members in relation to the Issue should be made by Applicants to the relevant Stock Exchange.

Members of the Syndicate or Trading Members 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.

To supplement the foregoing, the mode and manner of Application and submission of Application Forms is illustrated in the following chart.

Mode of Application	To whom the Application Form has to be submitted
ASBA Applications	i. to the Members of the Syndicate only at the Syndicate ASBA Application Locations; **or** ii. to the Designated Branches of the SCSBs where the ASBA Account is maintained; or iii. to Trading Members only at the Syndicate ASBA Application Locations.
Non- ASBA Applications	i. to the Members of the Syndicate; or ii. to Trading Members.

Application Size

As specified in the relevant Tranche Prospectus.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016 ("**SEBI Circular 2016**"), 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 towards HFCs is 10.0% of net assets value and single issuer limit is 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval). Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 25% of the net assets of the scheme.

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 Commercial Banks, Co-operative Banks and RRBs

Scheduled Commercial 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.

Application by Insurance Companies

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. **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.**

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 ASBA applications

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 ASBA 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, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) 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

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 also 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*

In case of Applications for Allotment of the NCDs in dematerialised form, 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 Members of the Syndicate or the Trading Members, as the case may be.

Payment instructions

Payment mechanism for ASBA Applicants

An ASBA 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 an intimation from the Registrar to the 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 Escrow 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 12 (twelve) 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 relevant Tranche Issue or until rejection of the ASBA Application, as the case may be.

Payment mechanism for non ASBA Applicants

We shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Applicants (except for ASBA Applicants) shall draw cheques or demand drafts in respect of his or her Applications. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form. Cheques or demand drafts for the Application Amount received from Applicants would be deposited by the Members of the Syndicate and Trading Members, as the case may be, in the Escrow Accounts.

Details of the branches of the Escrow Collection Banks where the Application Forms along with cheques/ demand drafts in respect of his or her submitted by a non-ASBA Applicants shall be deposited by the Members of the Syndicate and Trading Members are available on the website of the Lead Managers at www.akgroup.co.in, www.jmfl.com, www.edelweissfin.com and www.trustgroup.in. A link to the said web pages shall also be available on the website of BSE at www.bseindia.com. A link shall also be provided to the above mentioned websites in the Application Form as well.

Each Applicant (except for ASBA Applicants) shall draw a cheque or demand draft for the Application Amount as per the following terms:

a) The payment instruments from the Applicants shall be payable into the Escrow Account drawn as specified in the relevant Tranche Prospectus.

b) Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected.

c) The monies deposited in the Escrow Account will be held for the benefit of the Applicants until the Designated Date.

d) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement and this Draft Shelf Prospectus into the Public Issue Account. The Escrow Collection Bank shall also, upon receipt of instructions from the Lead Managers and the Registrar, transfer all amounts payable to Applicants, who have not been allotted NCDs to the Refund Accounts.

Applications accompanied by non-CTS cheques are liable to be rejected, if the non-CTS cheque is not cleared within 6 working days of the closure of the issue.

Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Lead Managers, the Escrow Collection Banks and the Registrar to facilitate collections from the Applicants.

Please note that Applications accompanied by Application Amounts in cash/ stock invest/ money orders/ postal orders will not be accepted.

The Escrow Collection Banks will act in terms of this Draft Shelf Prospectus and the relevant Tranche Prospectus and the Escrow Agreement. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein. It is mandatory for our Company to keep the proceeds of the Issue in an escrow account until the documents for creation of security as stated in this Draft Shelf Prospectus are executed.

On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of NCDs (other than in respect of Allotment to successful ASBA Applicants) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account(s) provided that our Company will have access to such funds only after receipt of minimum subscription which is 75% of the Base Issue before the Issue Closing Date, receipt of final listing and trading approval from the Stock Exchange and execution of the Debenture Trust Deed.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. For ASBA Applicants, no separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Members of the Syndicate or the SCSB or the Trading Member, as the case may be, 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 on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Members of the Syndicate/ Trading Member 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.

Applicants are advised not to submit Application Forms to Escrow Collection Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

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 Tranche Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Members of the Syndicate, or the Trading Members, as appropriate, 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 one NCD 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 applying for Allotment 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, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, 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.

(g) ASBA Applicants must ensure that their Application Forms are:

  (i) made in a single name; and

  (ii) completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Draft Shelf Prospectus, the relevant Tranche Prospectus and in the Application Form.

(h) If the ASBA Account holder is different from the ASBA 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.

(k) All Applicants are required to tick the relevant box of the "Mode of Application" in the Application Form, choosing either the ASBA or Non-ASBA mechanism.

Applicants should note that neither the Lead Managers, Trading Member of the Stock Exchange, Escrow Collection Banks 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 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. These Demographic Details would be used for giving Allotment Advice and refunds (for non-ASBA Applicants), if any, to the Applicants. 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, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Syndicate nor the Trading Members, nor the Registrar, nor the Escrow Collection Banks, 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 Members of the Syndicate, the Trading Members 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 Members of the Syndicate shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. 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.

Refund orders/ Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Escrow Collection Banks, Registrar nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

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 for the purpose of printing particulars on the refund order and mailing of the refund orders/Allotment Advice through speed post or registered post, 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 Bonds 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 Members of the Syndicate, SCSBs and Trading Members 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 Trading Members, (ii) the Applications uploaded by the SCSBs and the Trading Members, (iii) the Applications accepted but not uploaded by the SCSBs or the Trading Members, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) with respect to ASBA Applications accepted and uploaded by Members of the Syndicate 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 Issue. This facility will be available on the terminals of Members of the Syndicate, Trading Members and the SCSBs during the Issue Period. On the Issue Closing Date, the Members of the Syndicate, Trading Members 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 Members of the Syndicate, Trading Members 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) Based on 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.

(d) At the time of registering each Application, SCSBs, the Members of the Syndicate and Trading Members, as the case may be, 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 NCDs applied, Application Amounts, details of payment instruments (for non – ASBA Applications) and any other details that may be prescribed by the online uploading platform of the Stock Exchange.

(e) 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, Members of the Syndicate or the Trading Members, as the case may be. The registration of the Applications by the SCSBs, Members of the Syndicate or Trading Members does not guarantee that the 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.

(f) 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.

(g) In case of apparent data entry error by either the Members of the Syndicate or the Trading Members, 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.

(h) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Members of the Syndicate, Trading Members and the Designated Braches 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 Members of the Syndicate, Trading Members and the Designated Braches 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.

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 Members of the Syndicate, Trading Members or the Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date;

- Ensure that the Application Forms (for non-ASBA Applicants) are submitted at the collection centres provided in the Application Forms, bearing the stamp of a Member of the Syndicate or a Trading Members of the Stock Exchange, as the case may be;

- Information provided by the Applicants in the Application Form will be uploaded on to the online platform of the Stock Exchange by the Members of the Syndicate and Trading Members, as the case may be, 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 (for Applications for the NCDs in dematerialised form) 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 for ASBA Applications;

- 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 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 SCSB, Trading Members or the Members of the Syndicate to whom the Application is submitted;

- In the event that you are submitting an Application Form to a Trading Member, ensure that he is located in a town/ city that has a designated branch of the Escrow Collection Banks (a list of such locations are available on the websites of Stock Exchange, the Company and Lead Managers, a link for the same being available in the Application Form);

- Ensure that you receive a TRS from a designated branch of an SCSB, a Trading Member or from the Members of the Syndicate, as the case may be, for the submission and upload of your Application Form into the electronic platform of the Stock Exchange;

- **Applicants (other than ASBA Applicants) are requested to write the sole/ first Applicant's name, his phone number and the Application number on the reverse of the instruments by which the payments are made;**

- 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.

Don'ts

- Do not apply for lower than the minimum Application size;

- Do not pay the Application amount in cash, by money order, postal order, stock invest;

- Do not send the Application Forms by post; instead submit the same to the Members of the Syndicate and Trading Members (as the case may be) only;

- 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; and

- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

Additional instructions specific for ASBA Applicants

Do's

- Before submitting the physical Application Form with the Member of the Syndicate 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;

- For ASBA Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Members of the Syndicate at the Syndicate ASBA Application Locations and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or Trading Members;

- For ASBA Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or the Members of the Syndicate or Trading Members;

- Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;

- Ensure that you have mentioned the correct ASBA Account number in the Application Form;

- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, or to the Members of the Syndicate at the Syndicate ASBA Application Locations, or to the Trading Members, as the case may be;

- 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; and

- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, or the Trading Member, as the case may be, for the submission of the Application Form.

Don'ts

- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts shall not be accepted under the ASBA process;

- Do not submit the Application Form with a Member of the Syndicate at a location other than the Syndicate ASBA Application Locations;

- Do not submit non-ASBA Application Forms to any of the collection centres of the Escrow Collection Banks or to the Registrar or directly to the Company;

- Do not send your physical Application Form by post. Instead submit the same with a Designated Branch or a member of the Syndicate at the Syndicate ASBA Application Locations, or a Trading Member, as the case may be; and

- Do not submit more than five Application Forms per ASBA Account.

The Members of the Syndicate and the Trading Members of the Stock Exchange shall ensure they shall accept Application Forms only in such cities/ towns where the designated branches of the Escrow Collection Banks are available. Details of the branches of the Escrow Banks where the Application Form along with the cheque/ demand draft submitted by a Non ASBA applicant shall be deposited by the Members of the Syndicate and Trading Members are available on the website of the Lead Managers at www.akgroup.co.in, www.jmfl.com, www.edelweissfin.com and www.trustgroup.in. A link to the said web pages shall also be available on the

website of BSE at www.bseindia.com. A link shall also be provided to the above mentioned websites in the Application Forms as well.

Submission of Application Forms

For details in relation to the manner of submission of Application Forms, see the section titled "*Issue Procedure – Methods of Application*" at page 152 of this Draft Shelf Prospectus.

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 29, 2016 and July 27, 2016, 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) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.

(v) 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.

(vi) 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.

(vii) The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD 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 142 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 non-receipt of Allotment Advice/ credit of NCDs in depository's beneficiary account/ refund orders, 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 Trading Members should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / credit of NCDs in depository's beneficiary account/ refund orders, 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

"Issue Procedure-Applications would be liable to be rejected on the technical grounds" listed on this page 166 of this Draft Shelf Prospectus below or if all required information is not provided or the Application Form is incomplete in any respect. 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) ASBA 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;
- Applications by stock invest or accompanied by cash/money order/postal order;
- For ASBA 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;
- ASBA Applications submitted to the Members of Syndicate or Trading Members at locations other than

the Syndicate ASBA Application Locations or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar;

- 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;
- For all Applications for Allotment 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 from ASBA Applicants 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;
- ASBA Applications not having details of the ASBA Account to be blocked;
- With respect to ASBA Applications, 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 where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- 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;
- Non- ASBA Applications accompanied by more than one payment instrument;
- 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;
- Applications accompanied by Stockinvest/ money order/ postal order/ cash;
- 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;
- Applications (except for ASBA Applications) where clear funds are not available in Escrow Accounts as per final certificates from the Escrow Collection Banks;
- With respect to ASBA Applications, 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 not uploaded on the terminals of the BSE;
- Application Forms submitted to the Lead Managers, or Trading Members of the Stock Exchange does not bear the stamp of the relevant Lead Manager or Trading Member of the Stock Exchange, as the case may be. ASBA 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 Trading Members of the Stock Exchange, 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;
- Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Draft Shelf Prospectus and as per the instructions in the Application Form, this Draft 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 Trading Members of the Stock Exchange at centers other than the centers mentioned in the Application Form;
- Application Form accompanied with more than one cheque;
- 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; and
- Payment made through non-CTS cheques may be liable to be rejected due to any clearing delays to avoid any delay in the timelines in terms of the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011.

For further instructions regarding Application for the NCDs, Applicants are requested to read the Application Form.

Allotment Advice/ Refund Orders

In case of Applications other than those made through the ASBA process, the unutilised portion of the Application Amounts will be refunded to the Applicant within 12 (twelve) Working Days of the Issue Closing Date through any of the following modes:

i. **Direct Credit** – Applicants having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.

ii. **NACH** – Payment of refund would be done through NACH for Applicants having an account at any of the centres specified by RBI, where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds through this mode will be done for Applicants having a bank account at any centre where NACH facility has been made available (subject to availability of all information for crediting the refund through NACH).

iii. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, allotted to that particular bank branch. 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. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

iv. **RTGS** – If the refund amount exceeds ₹ 200,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the refund bank(s) for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

v. For all other Applicants (not being ASBA Applicants), refund orders will be despatched through speed post/ registered post only to Applicants that have provided details of a registered address in India. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/ first Applicants and payable at par.

In the case of Applicants other than ASBA Applicants, applying for the NCDs in dematerialised form, the Registrar will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Applicants in their Application Forms. Accordingly, Applicants are advised to immediately update their details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Applicant's sole risk and neither our Company, the Registrar, the Escrow Collection Banks, or the Members of the Syndicate, will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

In case of ASBA Applicants, 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 ASBA Applications within 12 (twelve) Working Days of the

Issue Closing Date.

Our Company and the Registrar shall credit the allotted NCDs to the respective beneficiary accounts/ despatch the Letters of Allotment or letters of regret/ Refund Orders by registered post/speed post at the Applicant's sole risk, within 12 Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT.

Further,

(a) Allotment of NCDs in the Issue shall be made within a time period of 12 Working Days from the Issue Closing Date;

(b) Credit to dematerialised accounts will be given within two Working Days from the Deemed 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 orders have not been dispatched to the Applicants within 12 Working Days from the Issue Closing Date, for the delay beyond 12 Working Days; and

(d) Our Company will provide adequate funds to the Registrar / relevant banks 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"**.

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.

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.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing 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.

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/ Trading Members of the Stock Exchange/ the SCSBs, 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 Issue Closing Date. However, in order that the data so captured is accurate, the Lead Managers, Trading Members of the Stock Exchange 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

- All monies received out of the Issue shall be credited / transferred to a separate bank account maintained with a Scheduled Bank as referred to in Section 40 of the Companies Act, 2013.

- The allotment letter shall be issued or application money shall be refunded within fifteen days from the closure of the issue or such lesser time as may be specified by Securities and Exchange Board, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

- Details of all monies unutilised out of the previous issues made by way of public offer, if any, 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 such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.

- Details of all monies utilised out of the previous issue made by way of public offer 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.

- Details of all unutilised monies out of the Issue, if any, shall be disclosed and continued to be disclosed under an appropriate head in our balance sheet till the time any part of the proceeds of the Issue remains unutilized indicating the form in which such unutilised monies have been invested.

- We shall utilize the Issue proceeds only (a) receipt of minimum subscription; (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 137 of this Draft Shelf Prospectus.

- 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.

- 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. We have received the in-principle approval dated [●], 2018 from 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 12 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.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

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 Trading Members) 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 specified time i.e. 12 Working Days from the Issue Closing Date.;

c) the funds required for dispatch of refund orders/ allotment advice/ certificates 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 Debenture 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

As on the date of this Draft Shelf Prospectus, there are no defaults in meeting statutory dues, institutional dues, and towards holders of instrument like debentures, etc., by our Company.

The NCD Public Issue Committee of our Company in their meeting held on May 4, 2018, 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 as disclosed below, there are no pending proceedings pertaining to:

(a) matters likely to affect operations and finances of our Company, promoter, director, Group companies, or any other person, whose outcome could have a material adverse effect on the Company, including disputed tax liabilities and contingent liabilities of any nature; and

(b) criminal prosecution launched against our Company and the Directors for alleged offences under the enactments specified in Paragraph 1 of Part I of Schedule V to the Companies Act, 2013

(c) litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of our Company during the last five years immediately preceding the year of the issue of the Draft Shelf Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;

(d) pending proceedings initiated against our Company for economic offences and default; and

(e) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years immediately preceding the year of issue of this Draft Shelf Prospectus against our Company.

Litigation against our Promoter

Tax proceedings:

The Income-Tax department ("**IT Department**") passed an assessment order against our Promoter, JMFL, for treating sale of equity shares of JM Morgan Stanley Securities Private Limited ("**JMMS Securities**") in Fiscal 2008 as capital gains. JMFL had also claimed a long term capital loss of ₹ 549.0 million and short term capital loss of ₹ 4,654.4 million from the sale of equity shares of JM Financial Products Private Limited ("**JMFPPL**"). The IT Department, by way of its assessment order dated March 14, 2014, treated our gain from the sale of equity shares of JMMS Securities as business income and also disallowed JMFL's claim for set-off of the capital loss from the sale of shares of JMFPPL, and raised demands aggregating to ₹ 3,471.9 million. Pursuant to an appeal filed by our Promoter, JMFL, the Commissioner of Income-Tax (Appeals) ("**CIT(A)**") held that the gain from the sale of equity shares of JMMS Securities is to be treated as capital gain and disallowed the set-off of capital loss from sale of equity shares of JMFPPL. Our Promoter, JMFL has appealed against the order of the CIT(A) for disallowance of claim of set-off of loss from sale of equity shares of JMFPPL before the Income Tax Appellate Tribunal ("**ITAT**"). Simultaneously, the IT Department has also appealed against the CIT(A)'s order for treating the gain from the sale of equity shares of JMMS Securities as capital gain before the ITAT. These matters are currently pending.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on April 30, 2018, the Directors approved the issuance to the public of Secured NCDs of face value ₹ 1,000 each and Unsecured NCDs of face value ₹ 1,000 each, aggregating up to ₹ 20,000 million.

The present issue through the Draft Shelf Prospectus of Secured NCDs of face value of ₹ 1,000 each and Unsecured NCDs, of face value of ₹ 1,000 each, aggregating up to ₹ 20,000 million ("Shelf Limit"), hereinafter called the "Issue" is approved by NCD Public Issue Committee meeting dated May 04, 2018. 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"), which issue is being made as decided by the NCD Public Issue Committee of the Board of Directors.]

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' vide their resolution dated April 30, 2018.

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*, EDELWEISS FINANCIAL SERVICES LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND, 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*, EDELWEISS FINANCIAL SERVICES LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND CONFIRM THAT COMMENTS RECEIVED ON THE DRAFT SHELF PROSPECTUS WILL BE SUITABLY ADDRESSED BEFORE FILING THE SHELF PROSPECTUS AND TO THIS EFFECT, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•] WHICH READS AS FOLLOWS:

[•]

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 AUGUST 27, 2003 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. IT IS DISTINCTLY UNDERSTOOD THAT THIS DRAFT SHELF PROSPECTUS SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO BE APPROVED OR VETTED BY RBI.

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
Edelweiss Financial Services Limited	www.edelweissfin.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 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 12 Working Days from the date of closure of the 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.

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) bankers to the Issue, (i) bankers to the Company, (j) CRISIL as industry expert, and (k) the Debenture Trustee to act in their respective capacities, will be filed along with a copy of this Shelf Prospectus and Tranche Prospectus with the ROC.

The consent of the Statutory Auditors of our Company, namely Deloitte Haskins & Sells, LLP 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 along with the statement of tax benefits, have been obtained and has not withdrawn such consent and the same will be filed along with a copy of the Shelf Prospectus with the Registrar of Companies, Maharashtra.

Expert Opinion

Except the (i) Independent Auditors' report on Reformatted Summary Financial Statements issued by Deloitte Haskins & Sells, LLP, Chartered Accountants dated May 4, 2018; and (ii) statement of tax benefits issued by Deloitte Haskins & Sells, LLP dated May 3, 2018 in the Draft Shelf Prospectus, Shelf Prospectus and Tranche Prospectus, the Company has not obtained any expert opinions.

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

If our Company does not receive the minimum subscription of 75% of the Base Issue, prior to the Issue Closing Date, the entire subscription amount shall be refunded to the Applicants within 12 Days from the date of closure of the Issue. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted In the event, there is a delay, by the issuer in making the aforesaid refund, the 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 the Draft Shelf Prospectus has been 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 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. This may have a bearing on the timely redemption of the NCDs by our Company.

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

The Issue may or may not be underwritten. Details of underwriting, if any, will be specified in the relevant Tranche Prospectus.

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 defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI or any other governmental authority.

Reservation

No portion of this Issue has been reserved.

Details regarding the Company and other listed companies under the same management / 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 manager / 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 ₹ 1.00 Million each)	Issue Amount (₹ In Million)
2014-15	500	500.0

Financial Year	Units (Face value of ₹ 1.00 Million each)	Issue Amount (₹ In Million)
2015-16	8,859	8,859.0
2016-17	5,537	5,537.0
2017-18	10,896	10,896.0
Total	**25,792**	**25,792.0**

Previous Issue

Except as stated in the sections titled "*Capital Structure*" and "*Disclosures on existing financial indebtedness*" on pages 51 and 117 of this Draft Shelf Prospectus respectively, our Company has not made any other issue of non convertible debentures.

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

N.A.

Details regarding lending out of issue proceeds of Previous Issues

A. ***Lending Policy***

The lending policy of our Company broadly deals with the following:

1. Product offering of our Company:

   (a) loan against commercial real estate, including lending by subscribing to non-convertible debentures of the borrowers;

   (b) loans against securities;

   (c) initial public offering financing; and

   (d) employee stock option plan funding.

2. Risk containment measures to mitigate the credit and market risk for the grant of products offered by the Company

3. Loan sanctioning authority and delegation

4. Sectoral exposure limits

5. Policy for demand / call loan

6. Provisioning norms

7. Policy on write off

The objective of the loan policy are the following:

1. To have a loan portfolio which generates adequate risk adjusted returns

2. Ensure all deal managers have a clear understanding of the composition of the incremental portfolio

3. Define clearly the size and nature of deals that must be brought to the credit committee for approval before disbursement.

Our Company shall limit its exposures on a single borrower to 15% of the non-banking financial company's own funds and to a group borrower to 25% of the non-banking financial company's own funds.

The following have been classified as "Prohibited Exposures" for the purpose of lending:

1. Sanction of fresh loans to clear NPA accounts;

2. Lending to borrowers for illegal activities; and

3. Lending against collateral for its own shares.

The maximum exposure of our Company is concentrated towards construction, commercial real estate, infrastructure and retail housing. A portion of the Company's exposure is also concentrated towards advances to capital markets and others.

B. ***Loans given by the Company***

As of March 31, 2018 there are no loans given by our Company that are outstanding towards 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***

Denomination of loans outstanding by ticket size as on March 31, 2018:

S. No	Ticket size	Percentage of AUM
1	Upto ₹ 2 lakh	-
2	₹ 2-5 lakh	-
3	₹ 5-10 lakh	-
4	₹ 10-25 lakh	-
5	₹ 25-50 lakh	-
6	₹ 50 lakh-1 crore	-
7	₹ 1-5 crore	0.2%
8	₹ 5-25 crore	4.9%
9	₹ 25-100 crore	59.0%
10	> ₹ 100 crore	36.0%
		100.0%

Denomination of loans outstanding by LTV, as of March 31, 2018:

S. No	LTV	Percentage of AUM
1	Upto 40%	26.2%
2	40-50%	26.8%
3	50-60%	31.1%
4	60-70%	13.2%
5	70-80%	1.1%
6	80-90%	-
7	>90%*	1.7%
Total		100.0%

**Unsecured loan amounting to Rs. 1,250.0 million*

Geographical classification of borrowers as on March 31, 2018:

S. No.	Top 5 states / Region	Percentage of AUM
1	Maharashtra	51.9%

2	Karnataka	21.4%
3	Tamil Nadu	11.4%
4	West Bengal	5.7%
5	National Capital Region	5.4%
	Total	**95.8%**

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	**Retail**	
a	-Mortgages (home loans and loans against property)	-
b	-Gold loans	-
c	- Vehicle finance	-
d	-MFI	-
e	-M&SME	-
f	-Capital market funding (loans against shares, margin funding)	-
h	-Others	
2	**Wholesale**	-
a	-Infrastructure	-
b	-Real estate	100%
c	-Promoter funding	-
d	-Any other sector (as applicable)	-
e	-Others	-
	Total	100.0**%**

*D. **Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31,2018***

	Amount (₹ in Million)
Total Advances to twenty largest borrowers	28,427.5
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	38.7%

*E. **Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2018***

	Amount (₹ in Million)
Total exposure to twenty largest borrowers / customers	28,447.9
Percentage of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	38.7%

*F. **Details of loans overdue and classified as non – performing in accordance with the RBI's guidelines***

Movement of gross NPAs*	**Amount (₹ in Million)**
(a) Opening balance	**Nil**
(b) Additions during the year	758.0
(c) Reductions during the year	**Nil**
(d) closing balance	758.0

* Please refer paragraph titled "Non Performing Assets (NPAs)" under chapter "Our Business" at page 82 of this Draft Shelf Prospectus for details on Gross NPA recognition Policy.

Movement of provisions for NPAs	**Amount (₹ in Million)**
(a) Opening balance	Nil
(b) Provisions made during the year	75.8
(c) Write-off / write -back of excess provisions	Nil
(d) closing balance	75.8

*G. **Segment –wise gross NPA as on March 31, 2018***

S.No	Segment- wise breakup of gross NPAs	Gross NPA (%)
1	Real Estate	100.00%
	Total	**100.00%**

*H. **Classification of borrowings as on March 31, 2018***

S. No	Type of Borrowings	Amount (₹ in Million)	Percentage
1	Secured	47,622.3*	85.8%
2	Unsecured	7,865.7**	14.2%
	Total	**55,488**	**100.00%**

**Borrowing through Non-Convertible Debentures includes premium on issue ₹3.7 million.*

*** Borrowing through commercial papers are shown at net of discount of ₹284.3 million*

*I. **Promoter Shareholding***

Please refer to the chapter "*Capital Structure*" on page 51 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	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
Assets									
Deposits	-	-	-	-	-	-	-	-	-
	(-)	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**
Advances	563.5	658.8	3,693.9	1,728.7	18,481.5	37,264.7	11,072.0	-	73,463.1
	(1,546.1)	(2,287.2)	(1,478.7)	(2,984.9)	(9,684.2)	(32,300.7)	(6,480.2)	-	(56,762.1)
Investments	-	-	-	-	-	-	-	-	-
	(-)	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**
Liabilities									
Borrowing	267.9	2,067.0	4,421.0	6,053.6	6,545.5	28,791.6	7,341.4	-	55,488.0
	(111.2)	(3,863.2)	(3,590.7)	(2,691.8)	(5,450.1)	(20,890.7)	(4,785.0)	-	(41,382.7)
Foreign currency assets	-	-	-	-	-	-	-	-	-
	(-)	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
	(-)	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**

Material Contracts

Company has not entered into any material contracts other than in the ordinary course of business, in the last two years.

Auditors' Remarks

The statutory auditor of the Company, Deloitte Haskins & Sells, LLP confirm that there have been no reservations or qualifications or adverse remarks in the Reformatted Summary Financial Statements of the Company in the last five financial years immediately preceding the date of this Draft Shelf Prospectus.

Details of fraud committed against the Company

No acts of material frauds have been committed against the Company in the last five years.

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. Presently, for the financial year 2017-2018 the Company has not declared any dividends.

Revaluation of assets

The Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

Karvy Computershare 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 orders 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, Series of NCDs applied for, amount paid on Application, Depository Participant and the collection centre of the Members of the 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 Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, Series applied for number of NCDs applied for, amount blocked on Application.

All grievances arising out of Applications for the NCDs made through Trading Members may be addressed directly to the Stock Exchange. The contact details of Registrar to the Issue are as follows:

Registrar to the Issue

Karvy Computershare 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: jmfs.ncd@karvy.com
Investor Grievance Email: einward.ris@karvy.com
Website: www.karisma.karvy.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.

Mr. Hemant Pandya has been appointed as the Compliance Officer of our Company for this issue.

The contact details of Compliance Officer of our Company are as follows:

Mr. Hemant Pandya
Company Secretary & Compliance Officer
7th Floor, Cnergy,

Appasaheb Marathe Marg,
Prabhadevi, Mumbai
Maharashtra 400 025
Tel: (+91 022) 6630 3030
Fax: (+91 022) 6630 3223
Email: hemant.pandya@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 non-receipt of Allotment Advice, demat credit, refund orders or interest on application money.

Change in Auditors of our Company during the last three years

Deloitte Haskins & Sells, LLP has been the statutory auditor of the Company since February 12, 2015 and there has been no change in the Statutory Auditor of the Company for three years preceding the date of this Draft Shelf Prospectus.

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 non-public deposit accepting NBFCs ("**ND-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 of 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)

(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, which comes into existence after the commencement of the Reserve Bank of India (Amendment) Act 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 21, 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. The RBI has now 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 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.

Systemically Important ND-NBFCs

All ND-NBFCs with an asset size of ₹ 100 crore 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 ₹ 100 crore, or above, it shall come under the regulatory requirement for systemically important ND-NBFC, 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. NBFCs-ND -SI will henceforth be those NBFCs-ND which have asset size of ₹ 500 crore and above as per the last audited balance sheet. Moreover as per this amendment, all NBFCs- ND with assets of ₹ 500 crore 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 is required to comply with conduct of business regulations if customer interface exists.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio ("**CRAR**") of 15%.

Rating of NBFCs

The RBI has instructed that all NBFCs with an asset size of ₹ 5,000.00 million 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.

Prudential Norms

Master Directions-Non-Banking Financial Company Systematically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, (the "**Prudential Norms**"), amongst other requirements prescribe guidelines on ND-NBFCs regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

Provisioning Requirements

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.

Capital Adequacy Norms

Every systemically important ND-NBFC 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, 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)** 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.

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 15% of its owned funds, and in case of a single group of companies exceeding 25% 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.

Asset Classification

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 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.

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, diligence of client accounts opened by professional intermediaries, customer due diligence and diligence of accounts of politically exposed persons, adherence to KYC guidelines and the exercise of due diligence by persons authorised by the NBFC, including its brokers and agents.

Corporate Governance Guidelines

Pursuant to a RBI Circular dated July 01, 2013, all systematically important ND NBFCs having an asset size above ₹ 1,000.00 million- are required to consider adopting best practices and transparency in their systems as specified below. An NBFC having assets of ₹ 500 million and above as per its last audited balance sheet is already required to constitute an audit committee, consisting of not less than three members of its Board of Directors. Constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending have also been prescribed in the RBI Circular.

Further RBI vide notification dated November 10, 2014, has mandated the audit committee of all NBFC – ND - SI to ensure that an information systems audit of 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.

Further, RBI vide notification dated June 03, 2015 has mandated that all NBFCs are required to obtain undertakings and a deed of covenant from all directors and furnish a quarterly statement to the RBI on change of directors along with a certificate from the managing director that 'fit and proper criteria' has been followed. All applicable NBFCs are required to disclose details pertaining to asset-liability profile, non-performing assets and movement of non-performing assets, details of exposures, etc. in their annual financial statements.

Financing of NBFCs by bank

The RBI has issued guidelines vide a circular dated 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.

Norms for excessive interest rates

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 NBFCs 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.

Supervisory Framework

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.

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 ₹ 1,000.00 million, 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 ("**ALCO**") 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.

Anti Money Laundering

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 ₹ 1 million; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 1 million where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 1 million. 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.

Reserve Bank Of India notification no. RBI/2016-17/245 DNBR (PD) CC.No.086/03.10.001/2016-17 dtd. 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 lac and above, and if the fraud is of ₹ 10 million 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 Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "DRT Act") provides for establishment of the Debts Recovery Tribunals (the "DRTs") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

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 Nonperforming Asset ("NPA"). Securitisation Companies and Reconstruction Companies ("SCs/RCs") are required to obtain, for the purpose of enforcement of security interest, the consent of secured creditors holding not less than 60% of the amount outstanding to a borrower as against 75%. 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 (which amended S.13 of SARFAESI). 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.

II. Foreign Investment Regulations

Foreign direct investment (including foreign institutional investment, investments by non-resident Indians, persons of Indian origin and overseas corporate bodies) ("FDI") in an Indian company is governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") read with the Consolidated Foreign Direct Investment Policy effective from May 12, 2015 ("FDI Policy") issued by the Department of Industrial Promotion and Policy, Ministry of Commerce, Government of India ("DIPP").FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Under the automatic route, no prior Government approval is required for the issue of securities by Indian companies/ acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/ acquisition of securities. However, if the foreign investor has any previous joint venture/ tie-up or a technology transfer/ trademark agreement in the "same field" in India, prior approval from the FIPB is required even if that activity falls under the automatic route, except as otherwise provided.

Under the approval route, prior approval from the FIPB or 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. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, the following are the relevant norms applicable for FDI in NBFCs:

(a) FDI investments upto 100% of the paid-up share capital of the NBFC is allowed under the automatic route in the following NBFC activities:

(i) Merchant banking;
(ii) Underwriting;
(iii) Portfolio Management Services;
(iv) Investment Advisory Services;
(v) Financial Consultancy;
(vi) Stock Broking;
(vii) Asset Management;
(viii) Venture Capital;
(ix) Custodial Services;
(x) Factoring;
(xi) Credit rating Agencies;
(xii) Leasing and Finance;
(xiii) Housing Finance;
(xiv) Forex Broking;
(xv) Credit card business;

(xvi) Money changing Business;
(xvii) Micro Credit; and
(xviii) Rural Credit.

(b) Minimum Capitalisation Norms for fund based NBFCs:

(i) For FDI up to 51% - US$ 0.5 million to be brought upfront.

(ii) For FDI above 51% and up to 75% - US $ 5 million to be brought upfront.

(iii) For FDI above 75% and up to 100% - US $ 50 million out of which US $7.5 million to be brought upfront and the balance in 24 months

(iv) NBFCs (i) having foreign investment more than 75% and up to 100%, and (ii) with a minimum capitalisation of US$ 50.00 million, can set up step down subsidiaries for specific NBFC activities, without any restriction on the number of operating subsidiaries and without bringing in additional capital. The minimum capitalization condition as mandated by the FDI Policy at paragraph 3.10.4.1, therefore, shall not apply to downstream subsidiaries.

(v) Joint venture operating NBFCs that have 75% or less than 75% foreign investment can also set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capitalisation norm mentioned in (b)(i), (ii) and (iii) above and (vi) below.

(vi) Non- Fund based activities: US $0.5 million to be brought upfront for all permitted non-fund based NBFCs irrespective of the level of foreign investment subject to the following condition. It would not be permissible for such a company to set up any subsidiary for any other activity, nor it can participate in any equity of an NBFC holding/operating company.

Following activities would be classified as Non-Fund Based activities"
(a) Investment Advisory Services
(b) Financial Consultancy
(c) Forex Broking
(d) Money Changing Business
(e) Credit Rating Agencies

(vii) These norms will be subject to compliance with the guidelines of RBI.

(c) Where FDI is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issue price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The foregoing description applies only to an issuance of shares by, and not to a transfer of shares of, Indian companies. Every Indian company issuing shares or convertible debentures in accordance with the RBI regulations is required to submit a report to the RBI within 30 days of receipt of the consideration and another report within 30 days from the date of issue of the shares to the non-resident purchaser.

FDI is allowed under the automatic route upto 100 % in respect of projects relating to electricity generation, transmission and distribution, other than atomic reactor power plants. There is no limit on the project cost and the quantum of foreign direct investment.

New Consolidated Foreign Direct Investment Policy, 2016 which came in effect from June 7, 2016 continued relevant norms specified for 18 NBFC activities in earlier FDI Policy.

New Consolidated Foreign Direct Investment Policy 2016 which came in effect from June 7, 2016 further provided for FDI under automatic route up to 100% in White Labels ATM operations undertaken by Non-Banking entities subject to following conditions:

(i) Any non-bank entity intending to set up WLAs should have a minimum net worth of Rs. 100 crore as per the latest financial year's audited balance sheet, which is to be maintained at all times.
(ii) In case the entity is also engaged in any other 18 NBFC activities, then the foreign investment in the company setting up WLA, shall also have to comply with the minimum capitalization norms for foreign investments in NBFC activities.
(iii) FDI in the WLAO will be subject to the specific criteria and guidelines issued by RBI vide Circular No. DPSS.CO.PD.No. 2298/02.10.002/2011-2012, as amended from time to time.

Reserve Bank of India on September 09, 2016 vide Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Thirteenth Amendment) Regulations, 2016 made amendments to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, (Notification No. FEMA 20/2000-RB dated 3rd May 2000), in Schedule 1, in Annex B, Paragraph F.8 by providing FDI under automatic route up to 100% in Financial Services activities regulated by financial sector regulators, viz., RBI, SEBI, IRDA, PFRDA, NHB or any other financial sector regulator as may be notified by the Government of India subject to other conditions introduced vide paragraph F.8.1 which are as follows:

i. Foreign investment in 'Other Financial Services' activities shall be subject to conditionalities, including minimum capitalization norms, as specified by the concerned Regulator/Government Agency.

ii. 'Other Financial Services' activities need to be regulated by one of the Financial Sector Regulators. In all such financial services activity which are not regulated by any Financial Sector Regulator or where only part of the financial services activity is regulated or where there is doubt regarding the regulatory oversight, foreign investment up to 100% will be allowed under Government approval route subject to conditions including minimum capitalization requirement, as may be decided by the Government.

iii. Any activity which is specifically regulated by an Act, the foreign investment limits will be restricted to those levels/limit that may be specified in that Act, if so mentioned.

iv. Downstream investments by any of these entities engaged in "Other Financial Services" will be subject to the extant sectoral regulations and provisions of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, as amended from time to time."

The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India (GOI) released the consolidated foreign direct investment (FDI) policy circular of 2017 (New FDI Policy). The New FDI Policy is effective immediately from the date of its publication, i.e., August 28, 2017. The New FDI Policy continues the policy with regard to FDI in NBFCs.

III. Other Laws

Real Estate (Regulation and Development) Act, 2016

The Real Estate (Regulation and Development) Act, 2016 is expedient to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector. Every project where the area of the land propose to be developed exceeds 500 meters as the number of apartment proposes to be developed or number of apartment exceeds 8, such project shall be compulsory required to be registered by the promoter with the Real Estate Regulator Authority (RERA). Any person aggrieved by any direction or decision made by the Regulatory Authority or by an adjudicating officer, may make an appeal before the Appellate Tribunal within a period of 60 days from the date of receipt of a copy of the order or direction.

IV. 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

Our 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.

V. 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

The main provisions of the Articles of Association relating to issue of securities and matters incidental hereto have been set out below. Please note that each provision herein below is numbered as per the corresponding Articles of Association. All defined terms used in this section have the meaning given to them in the AOA. Any reference to the term "Article" hereunder means the corresponding article contended in the AOA. The regulations contained in Table F of Schedule I to the Companies Act, 2013 shall apply so far only as are not inconsistent with any of the provisions contained in the Articles.

	SHARE CAPITAL
3.	The authorised share capital of the Company is ₹ 50 million.
4.	**DEMATERALISATION OF SHARES**
4.1	**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, 1996.
4.2	**Options for Members** Every member shall have the option to hold the Securities either in the physical mode through the share certificates or to hold the Securities with a Depository in electronic mode. A person who is the Beneficial Owner of any of the Securities can at any time opt out of a Depository, if permitted by law, in respect of such Securities in the manner provided by the Depositories Act, 1996 or any amendments thereto and the Company shall, in the manner and within the time prescribed, issue to such Beneficial Owner, the certificates for such Securities. If a person opts to hold his / its Securities with a Depository, the Company shall intimate such Depository, the particulars of such Securities held, and on receipt of the information, the Depository shall enter in its record the name of the member as the Beneficial Owner of such Securities.
4.6	**Transfer of Securities** Nothing contained in the Act, which provides that a transfer shall not be registered except on production of instrument of transfer or these Articles shall apply to a transfer of any of the Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.
4.7	**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.
5.	**BOARD AND SHAREHOLDERS MEETING**
5.1	**First Directors** a) Sri. Nalin L. Mehta b) Sri. Mahendra N. Kampani c) Sri. Nimesh N. Kampani d) Sri. Belman T. Anchan
5.2	**Board**
5.2.1	The Board shall initially consist of 5 (five) Directors.
5.2.2	So long as the Investor along with its Affiliates, holds not less than 15% (fifteen per cent) of the total issued and paid up share capital of the Company on a Fully Diluted Basis, the Investor shall have a right to (i) nominate for appointment by the Board 2 (two) Directors ("**Investor Directors**"); and (ii) designate VP as non-executive Chairman and HA as non- executive Vice Chairman, so long as VP and HA are Directors.
5.2.3	Subject to Article 7.4 and so long as JMFL along with its Affiliates, holds not less than 15% (fifteen per cent) of the total issued and paid up share capital of the Company on a Fully Diluted Basis and is designated as promoter of the Company, JMFL shall have a right to nominate for appointment by the Board a majority of the Directors, initially 3 (three) Directors ("**JMFL Directors**") and designate 1 (one) or more of JMFL Directors for appointment by the Board as Managing Director and Vice Chairman so long as they are Directors. In the event, JMFL ceases to be a promoter, so long as it, along with its Affiliates, holds not less than 15% (fifteen per cent)

	of the total issued and paid up share capital of the Company on a Fully Diluted Basis, it shall have the right to nominate for appointment 2 (two) Directors and such Directors shall not, as a matter of right, be entitled to be appointed on any of the committees of the Board.
5.2.4	In addition, the Board may appoint such number of independent directors that are required in terms of any regulatory requirements and commensurate with business needs and are mutually acceptable to JMFL and the Investor.
5.2.5	Subject to applicable Law in India, the Investor Director who is designated by the Investor as non-executive Chairman and the JMFL Director who is designated by JMFL as Managing Director shall not be liable to retire by rotation. However, in the event any of the JMFL Director or Investor Director becomes liable to retire by rotation, JMFL and the Investor shall vote in favour of the re-appointment of the nominee of JMFL /Investor (as the case may be) as a Director.
5.3	**Appointment of Director**
5.3.1	JMFL shall use all its rights, including its rights as and in respect of Directors and their voting rights in relation to the Equity Shares, to effectuate the appointment of the Investor Directors as contemplated under these Articles. Likewise, the Investor shall use all its rights, including its rights as and in respect of Directors and its voting rights in relation to the Equity Shares, to effectuate the appointment of the JMFL Directors as contemplated under these Articles.
5.3.2	Subject to Articles 5.4.2 to 5.4.4 and 5.17, JMFL or the Investor may require the removal of any of their nominee Directors at any time and shall be entitled to nominate another representative as a Director in place of the Director so removed. Each Party shall exercise their rights in such manner so as to cause the appointment and removal of the representative nominated by the other Party in accordance with these Articles.
5.4	**Key Positions**
5.4.1	<u>Managing Director</u> So long as JMFL has the right to nominate majority on the Board in accordance with Article 5.2.3, JMFL shall be entitled to nominate for appointment by the Board, the Managing Director of the Company, who shall not be liable to retire by rotation and the Managing Director so nominated by JMFL shall be appointed by the Board as such. Subject to the applicable Law in India, the Managing Director shall hold office for such period and on such terms and conditions (including remuneration) as are determined by the Board.
5.4.2	<u>Chairman</u> (a) So long as the Investor holds not less than 15% (fifteen per cent) of the total issued and paid up capital of the Company on a Fully Diluted Basis and VP is an Investor Director, the Investor shall be entitled to designate VP for appointment by the Board as the non-executive Chairman on the Board and the Board shall appoint him as such. Subject to the approval of the Reserve Bank of India and the shareholders of the Company in a general meeting, VP shall be the first non-executive Chairman of the Company for a period of 5 (five) years from the Final Closing Date or the date of receipt of Reserve Bank of India approval, whichever is later. VP shall not, so long as he is the non-executive Chairman of the Board, be liable to retire by rotation. VP shall not be removed from the office of the non-executive Chairman prior to the expiry of the aforesaid 5 (five) year term so long as he is a Director, unless: (a) the Investor ceases to hold at least 15% (fifteen per cent) of the total issued and paid up share capital of the Company on a Fully Diluted Basis, or (b) a regulatory directive demands such removal, or (c) VP voluntarily resigns or ceases to be a Director in accordance with the provisions of the Act, or (d) accepts employment as an executive with a bank or financial institution having operations in India, whichever is earlier. VP shall otherwise devote such time to the affairs of the Company as is commensurate with his role as non-executive Chairman. The non-executive Chairman shall preside at all meetings of the Board, and at all general meetings of the Company (which, in each case, may include participation by telephone, if permissible by Law or video conference), except where he is unable to attend any meeting of the Board or general meeting of the Company. If he is directly or indirectly interested with respect to any item of business for consideration at a meeting of the Board or at any general meeting of the Company in which case he shall abstain from voting and participating in the deliberations of the Board or the general meeting with regard thereto. The non- executive

	Chairman shall not be entitled to a second or casting vote, in the event of an equality of votes, either at a meeting of the Board or at a general meeting of the Company. The terms and conditions of VP's appointment shall be as stated in the separate letter to be addressed by the Company to VP in a form to be mutually agreed between the Company and VP ("**VP's Appointment Letter**"). (b) So long as JMFL has the right to nominate majority on the Board in accordance with Article 5.2.3, upon VP ceasing to be the Chairman, JMFL shall have the right to designate the Chairman to be appointed as such by the Board from time to time.
5.4.3	Vice Chairman (a) So long as the Investor holds not less than 15% (fifteen per cent) of the total issued and paid up capital of the Company on a Fully Diluted Basis, and HA is an Investor Director, the Investor shall be entitled to designate HA for appointment by the Board as the non-executive Vice-Chairman on the Board and the Board shall appoint him as such. HA shall have the primary role for VPA, and for the Investor and its investors in interfacing with the Company and with its management in connection with the governance and operations of the Company. HA shall render active assistance in the functioning of the Company and shall provide critical inputs for its operations. (b) So long as JMFL has the right to nominate majority on the Board in accordance with Article 5.2.3, upon HA ceasing to be the Vice-Chairman for any reason whatsoever, JMFL shall have the right to designate the Vice-Chairman to be appointed as such by the Board from time to time. (c) Neither JMFL nor the Investor shall be entitled to remove HA as Vice Chairman or the Vice Chairman designated by JMFL, as the case maybe, so long as the said person is a Director.
5.4.4	The terms and conditions of appointment of non-executive Vice Chairmen of the Company including their responsibilities shall be as per their respective terms and conditions of engagement to be separately entered into with the Company (engagement letter of HA appointing him the non-executive Vice Chairman shall hereinafter be referred to as "**HA's Appointment Letter**").
5.4.5	The Chief Operating Officer ("**COO**"), Chief Financial Officer ("**CFO**"), and Chief Risk Officer ("**CRO**") of the Company shall be appointed by the Nomination and Remuneration Committee to be constituted by the Board.
5.4.6	The Managing Director, COO, CFO and CRO shall be responsible for the day to day management of the Company, subject to the superintendence, control and direction of the Board and Committees thereof.
5.5	**Directors**
5.5.1	The Directors (or their alternate) shall not be required to hold any qualification shares in the Company.
5.5.2	Subject to the relevant provisions of the Act, the Directors (or his/her alternate) shall be paid reasonable out of pocket expenses, by the Company for attending general meetings, Board meetings and meetings of any committee of the Board.
5.9	**Board Meetings**
5.9.1	The Parties agree that: (a) at least 4 (four) meetings or such number as may be required by applicable Law from time to time, of the Board shall take place each calendar year and Board meetings shall be held at such intervals as may be required under the Act; (b) additional Board meetings shall be convened at the written request of any Director; and (c) the Board meetings may be conducted by telephone or any similar means of audio communication, if permitted by Law, or video conference.
5.9.2	At least 14 (fourteen) days' prior written notice of a Board meeting shall be given to each Director (and his/her alternate) unless otherwise agreed to for a shorter notice in writing by any one of the Investor Directors and any 1 (one) of the JMFL Directors. The agenda setting out in reasonable detail, the items of business proposed to be transacted at the meeting of the Board ("**Agenda**") together with all necessary accompanying papers shall be sent to the Directors (and their alternate) at least 7 (seven) days before the date of the meeting of the Board specified in the notice thereof unless otherwise agreed to for a lesser number of days in writing by any 1 (one)

	Investor Director and any 1 (one) JMFL Director. Items of business not specified in the Agenda shall not, as a rule, be discussed or transacted at any meeting of the Board, except with the consent of all of the Directors present thereat.
5.10	**Quorum** The quorum for each meeting of the Board shall be in accordance with the Act, provided that no quorum shall be validly constituted without the presence at the meeting and throughout its proceedings, of at least 1 (one) JMFL Director or his alternate (unless waived by the JMFL Directors) and 1 (one) Investor Director or his alternate (unless waived by the Investor Directors).
5.11	**Quorum not present** If the quorum specified in Article 5.10 is not present within 30 (thirty) minutes of the time specified in the notice of the meeting of the Board for its commencement, then such meeting shall stand adjourned to the same day of the immediately following week at the same time and place as the original meeting. A fresh notice to this effect shall be issued by the Company to each Director. In the event at least 1 (one) JMFL Director and 1 (one) Investor Director or his alternate are not present at such adjourned meeting of the Board within 30 (thirty) minutes of the time specified in such fresh notice for its commencement, then such adjourned meeting shall once again stand adjourned to the same day of the immediately following week at the same time and place as the original meeting. If at least 1 (one) JMFL Director and 1 (one) Investor Director or his alternate are not present at such 2nd (second) adjourned meeting also, the Directors attending such 2nd (second) adjourned meeting shall form a valid quorum and shall be entitled to transact thereat all business specified in the notice of the original Board meeting except the Affirmative Vote Matters, unless the Investor and JMFL accord their prior written consent in respect of the Affirmative Vote Matter proposed to be transacted.
5.13.2	Subject to Article 5.12, all decisions or resolutions at a meeting of the Board or by circulation (except with regard to the Affirmative Vote Matters) shall be made or passed with the approval of a simple majority of the Directors present thereat.
5.14	**Committees of the Board** JMFL, VP and HA shall cause the Board to constitute, inter alia, the following committees at or after the Final Closing Date, namely the Nomination and Remuneration Committee, Asset Liability Management ("**ALM"**) Committee, and the Credit Committee as set out in the provisions of the AOA.
5.15	**Shareholders' meetings**
5.15.1	All meetings of the shareholders of the Company shall be held in accordance with applicable Laws in India and these Articles. At least 21 (twenty one) days prior notice in writing shall be given to all shareholders of such meetings. Shareholders' meeting may also be called by giving a shorter notice than 21 (twenty one) days with the consent of members in accordance with the provisions of the Act. The notice shall be circulated together with an agenda, explanatory statement and all supporting documents for items to be considered at the said meeting either by electronic means or in physical form in accordance with applicable Law.
5.15.2	The quorum for a general meeting of the shareholders' of the Company shall be determined in accordance with applicable provisions of the Act and these Articles and shall include a nominee of the Investor and JMFL.
5.15.3	If a quorum is not present within 30 (thirty) minutes from the time specified for a general meeting, the general meeting will be adjourned to a date not later than 7 (seven) Business Days after the original date of the meeting and at the same time and place as the original meeting by written notice to all the shareholders, and the Chairman shall notify all the shareholders of the adjourned meeting and any details required for a shareholder to join such meeting through electronic means as permitted under applicable Law at least 3 (three) days prior to the date of the adjourned meeting. If, at such adjourned meeting, the quorum is not present within 30 (thirty) minutes from the time appointed for holding the adjourned meeting, then the shareholders present at such adjourned meeting, not being less than 2 (two), shall be deemed to constitute a valid quorum thereat and they shall be entitled to conduct, determine, discuss and vote on the matters provided in the agenda for such meeting, except any Affirmative Vote Matters, unless the Investor and JMFL accords its prior written consent in respect of the Affirmative Vote Matters proposed to be transacted.
5.15.4	No resolution pertaining to Affirmative Vote Matters, in respect of which the Investor or JMFL has expressly intimated to the Board its objection, can be raised by the Company in a shareholders meeting.

5.16	**Affirmative Vote** So long as the Investor solely or along with its Affiliates holds at least 15% (fifteen per cent) of the total issued and paid up share capital of the Company, calculated on a Fully Diluted Basis, whether or not VP and HA are Directors, all decisions pertaining to the matters as set out in this Article 5.16.1 ("**Affirmative Vote Matters**") shall require the prior approval in writing of the Investor. So long as JMFL solely or along with its Affiliates holds at least 15% (fifteen per cent) of the total issued and paid up share capital of the Company, calculated on a Fully Diluted Basis, all decisions pertaining to the Affirmative Vote Matters shall require the prior approval in writing of JMFL: (a) alterations to the Memorandum and/or these Articles of the Company insofar and to the extent they adversely affect or impair the Investor's or JMFL's rights; (b) any acquisition, merger, sale of all or substantially all of the Company's assets or liquidation or winding up of the Company or reduction of its share capital; (c) approval to or amendment of the annual operating budget and the Business Plan; (d) any capital issuance or re-organisation; (e) increasing number of Directors of the Company; (f) changing the Business or the commencement of any new line of business; (g) granting of any loans to Directors subject to provisions of the Act; (h) appointment and/or removal of the Auditors of the Company; (i) incurring or committing to capital expenditure exceeding the limits provided in the Business Plan by more than 20% (twenty per cent); (j) any transaction or arrangement which is not at arm's length (and not expressly authorized in these Articles) between the Company, on the one hand, and (a) JMFL or any of its Affiliates (or their directors, officers or employees), on the other or (b) Investor or any of its Affiliates (or their directors, officers or employees), on the other; (k) any change in Board committees, or in composition of or voting rights with respect to Board committees; and (l) any primary offering of Equity Shares and / or any equity linked instruments on any stock exchange whether in India or abroad.
5.17	**Exercise of Rights**
5.17.1	Notwithstanding anything to the contrary contained herein, if either VP or HA retire or resign from their position as Chairman or Vice-Chairman of the Board or cease to be a Director of the Company then, in any such case, all the rights of VP or HA to be appointed on the various committees as contemplated in Article 5.14 shall, unless the other of them elects to waive any of such rights, devolve upon the other of them. It is clarified that the Investor shall not have the right to appoint the Chairman or Vice Chairman or Managing Director or member of a committee of a Board, if VP or HA ceases to be the Chairman, Vice Chairman and/or members of a committee, as the case may be. If VP ceases to be the Chairman in accordance with Article 5.4.2 and/or HA ceases to be the Vice-Chairman, then, the Investor shall not be entitled to nominate for appointment the Chairman and/ or Vice- Chairman and JMFL shall have the right to designate the Chairman and/or the Vice- Chairman, as the case may be in accordance with Article 5.4.2 (b) or Article 5.4.3 (b), as the case may be.
5.17.2	In the event that either VP or HA, or both cease to be Directors, then, subject to Article 5.17.1, in such case, the Investor will have the right to appoint Directors in accordance with Article 5.2.2, provided that such nominees are acceptable to JMFL.
5.17.3	In the event the Investor ceases to hold at least 15% (fifteen per cent) of the total issued and paid up share capital of the Company on a Fully Diluted Basis, then its rights under these Articles (other than those which are mandatorily available to it as a shareholder under the Act), including without limitation the right to appoint Directors and key managerial personnel and the right to exercise Affirmative Voting Rights and the right to have access to records and the requirement to obtain its consent for any matter as may be contemplated in these Articles, shall forthwith cease to subsist.
5.17.4	In the event that JMFL ceases to be designated as a promoter of the Company and ceases to hold at least 15% (fifteen per cent) of the total issued and paid up share capital of the Company on a Fully Diluted Basis, then its rights under these Articles (other than those which are mandatorily available to it as a shareholder under the Act), including without limitation the right to appoint Directors and key managerial personnel and the right to exercise Affirmative

	Voting Rights and the right to have access to records and the requirement to obtain its consent for any matter as may be contemplated in these Articles, shall forthwith cease to subsist.
5.17.5	The Investors shall designate an identified representative ("**Investor Representative**") for the purposes of communication with the Company and JMFL on their behalf, inter alia, in connection with the exercise of their rights under these Articles, and JMFL and the Company shall be entitled to rely on communications received from the Investor Representative without any further investigation or enquiry. Initially the Investor Representative shall be HA. Any change in the details of the respective representatives shall be forthwith communicated to the Company and JMFL by the Investors.
5.17.6	JMFL shall designate an identified representative ("**JMFL Representative**") for the purposes of communication with the Company and the Investors on its behalf, inter alia, in connection with the exercise of their rights under these Articles, and the Investors shall be entitled to rely on communications received from the JMFL Representative without any further investigation or enquiry. Initially the representative of JMFL shall be Mr. Prashant Choksi. Any change in the details of the respective representatives shall be forthwith communicated to the Company and the Investors by JMFL.
6.	**FURTHER ISSUE OF CAPITAL**
6.1	After completion of the issue and allotment of the Investor Subscription Equity Shares and the Investor Subscription CCPS, save as contemplated in Article 9.1.6 (b), in the event the Company is desirous of issuing additional capital, then the Company shall, unless otherwise agreed to by the Parties, issue Equity Shares and/or equity linked instruments to the then existing shareholders of the Company ("**Entitled Shareholders**") on a rights issue basis in proportion of their shareholding in accordance with applicable Law ("**Rights Issue**") at the lowest price which may be permitted under applicable Law or such price as may be mutually agreed to between JMFL and the Investor ("**Rights Issue Price**").
7.	**TRANSFER OF SHARES**
7.1	**Permitted Transfer**
7.1.1	JMFL and the Investor and/or any of its Affiliates holding any shares of the Company or voting interests therein, shall not transfer any of the shares or voting interests therein owned by it to any person or create any Encumbrance over the shares owned by it, except as expressly required or permitted under these Articles.
7.1.2	The Investor and JMFL shall have the right to transfer at any time all or any part of the Equity Shares or CCPS held by them in the Company to any of their respective Affiliates, provided that: (a) the transferee Affiliate executes a deed of adherence in the form as agreed between the Parties in writing, on the Execution Date for this purpose and re-transfer all such shares back to the Investor and/or JMFL or their respective designated Affiliates on or before the date on which the transferee Affiliate ceases to be an Affiliate of the Investor and/or JMFL, as the case may be; and (b) if any such transfer is made by the Investor and/or JMFL to more than one of their respective Affiliates or if such transfer is of a part (but not all) of the shareholding of the Investor and/or JMFL in the Company, then the Investor and/or JMFL, as the case may be, shall cause such Affiliate transferee to adhere to the terms and conditions upon which the Investor has invested into the Company, more particularly agreed upon between the Parties in writing, on the Execution Date.
7.1.3	JMFL shall be entitled to transfer upto 9.99% (nine point nine nine per cent) of the total issued and paid up share capital of the Company on a Fully Diluted Basis in the aggregate to the Bank without rights and accordingly the Bank shall execute a deed of adherence in the form agreed between the Parties in writing, on the Execution Date for this purpose.
7.1.4	Subject to Articles 7.2 and 7.3 hereof, in the event that JMFL is not granted a banking license by the Reserve Bank of India, then from the Final Closing Date and for a period of 5 (five) years thereafter, the Investor and JMFL shall have the right to Transfer at any time Equity Shares or CCPS or any equity linked instruments held by them in the Company to one or more Third Parties, subject to the following conditions: (a) each Third Party along with its Affiliates or Persons Acting in Concert, to whom the Equity Shares or CCPS or any equity linked instruments held by the Investor or JMFL, as the case may be, in the Company is transferred, shall not hold more than 9.99% (nine point nine nine per cent) of the total issued and paid up share capital of the Company on a Fully Diluted Basis in the aggregate;

	(b) such Third Party shall not be entitled to exercise any right under these Articles, other than those which are mandatorily available to it as a shareholder of the Company under the applicable Law and the transferring shareholder shall not directly or indirectly assign its rights under these Articles to such Third Party or its Affiliates; and (c) such Third Party shall execute a deed in the format as agreed between the Parties in writing, on the Execution Date for this purpose, agreeing to be bound by the terms and conditions upon which the Investor has invested into the Company, more particularly agreed upon between the Parties in writing, on the Execution Date. It is hereby clarified that the threshold of 9.99% (nine point nine nine per cent) stated in Article 7.1.4(a) is not a cumulative threshold and the Investor or JMFL, as the case may be, shall have the right to transfer its Equity Shares or CCPS or any equity linked instruments to any number of Third Parties so long as each of the Third Parties along with their Affiliates and Persons Acting in Concert do not hold more than 9.99% (nine point nine nine per cent) of the total issued and paid up share capital of the Company on a Fully Diluted Basis.
7.1.5	Upon the expiry of the 5th (fifth) anniversary of the Final Closing Date, subject to Article 7.2 below, JMFL and the Investor shall have the right to transfer all or any of the Equity Shares or equity linked instruments held by them in the Company to a Permitted Transferee at their discretion, with or without the Affirmative Voting Rights available to them respectively under these Articles, provided that, in the event Affirmative Voting Rights are transferred, the rights available to the Investor or JMFL, as the case may be, under these Articles shall be exercised by the Investor and/or its transferee(s) collectively as 1 (one) block or by JMFL and/or its transferee(s) collectively as 1 (one) block, as the case may be. JMFL or the Investor, as the case may be, shall ensure that the Permitted Transferee executes a deed of adherence in the format agreed between the Parties in writing, on the Execution Date for this purpose. JMFL and the Investor, as the case may be, agree to use its reasonable best efforts to maximise the value of the sale.
7.1.6	Any Transfer, other than the Permitted Transfers and the transfer under Article 7.4 shall be made by the Parties in accordance with the provisions of these Articles or only after written approval from the other Parties in compliance with applicable Law.
7.2	**Right of first offer**
7.2.1	If either JMFL or the Investor proposes to Transfer any of their respective shareholding including equity linked instruments in the Company ("**Selling Party**") to a Third Party in accordance with the provisions of these Articles (other than a Transfer in accordance with Articles 7.1.2, 7.1.3 and 7.4.2(d), the other party i.e. the Investor or JMFL, as the case may be ("**Non-Selling Party**") shall have a right of first offer ("**Right of First Offer**") with respect to the shares proposed to be Transferred, to be exercised in the manner set out below.
7.3	**Tag along Right**
7.3.1	Subject to Article 7.2 above, in the event that, either of the Selling Parties, other than on account of: (a) the Mandatory Transfer stipulated in Article 7.4 below or (b) a transfer in accordance with Articles 7.1.2, 7.1.3 or 7.1.5 (i) sells such percentage of their respective shareholding in the Company to a Third Party which results in the Selling Party's shareholding in the Company falling below 15% (fifteen per cent) in the Company on a Fully Diluted Basis ("**Offered Tag Shares**") and/or (ii) sells any part of its shareholding in the Company to a Third Party along with any rights available to it under these Articles, including the right to vote on Affirmative Vote Matters (in which event the shareholding so sold shall be deemed to be the "**Offered Tag Shares**"), then the Non-Selling Party shall have the right ("**Tag-Along Right**") to require the Selling Party to cause the proposed third party purchaser ("**Proposed Transferee**") to purchase all (but not less than all) of the Non- Selling Party's shareholding in the Company, at the time of such proposed sale on the same terms and conditions.
7.4	**Mandatory Transfer** In the event that JMFL is granted a banking license by the Reserve Bank of India and JMFL is required by the Reserve Bank of India to dilute its shareholding in the Company to the required percentage or where the Company falls within the 'Group Risk Limits', then in such case, JMFL shall be required to take all steps to reduce its shareholding at least to the required percentage to ensure that the Company operates as an independent business ("**Required Percentage**").
9.	**COVENANTS AND UNDERTAKINGS**

9.1	The Company shall comply with the obligations applicable to it as set out hereunder:
9.1.5	**Two Way Referrals**
	(b) If JMFL and/or its Affiliate/s (other than JM Financial group's asset reconstruction company) are prospecting for or are approached by any promoter requiring promoter funding in excess of ₹ 500,000,000/- (Rupees five hundred million only) per deal (which threshold shall be increased by INR equivalent of USD 1 million every Financial Year) or any real estate sector entity requiring funds, JMFL shall, and shall cause its Affiliate/s (other than JM Financial group's asset reconstruction company) to, in such cases refer or bring the deal to the Company. (c) The aforesaid referrals shall be made by way of a written notice ("Reference Notice") to the Company, providing the Company with the details of the proposed deal ("Deal"). (d) The Company shall within a period of: (a) 15 (fifteen) days in respect of real estate sector entity loans; and (b) 7 (seven) days in respect of promoter funding loans, from the date of the Reference Notice, either (i) reject the Deal; or (ii) execute an indicative non-binding term sheet which shall express the Company's willingness to conduct a due diligence to confirm feasibility of the Deal. In case the Company does none of the above stated actions, it will be deemed to have rejected the Deal. (e) If the Credit Committee of the Company rejects the Deal, JMFL and/or its Affiliate/s shall have the option to refer the Deal to any Third Party. For any promoter funding transaction, in the event the representatives of JMFL on the Credit Committee approve the Deal, but the representative/s of the Investor on the Credit Committee rejects the Deal, then such Deal can be undertaken by JMFL, JM Investment Bank or their Affiliates, provided that the terms on which such Deal is undertaken by JMFL, JM Investment Bank or their Affiliates cannot be more favourable than what was presented to the Credit Committee. (g) Referrals to and from the Company shall be subject to a maximum of 1% (one percent) introduction fee on the transaction amount to be negotiated on a deal to deal basis. If there is a follow on Deal with the same promoter entity within 3 (three) years of the original Deal, then JMFL (or its Affiliate which has referred the Deal to the Company) will be entitled to an additional fee of 0.5% (zero point five per cent) on the transaction amount of such follow on Deal.
9.1.6	**Dividend Policy**
	(a) The Board shall adopt a dividend distribution policy acceptable to JMFL and the Investor. So long as JMFL holds at least 50.01% (fifty point zero one per cent) of the total issued and paid up share capital of the Company on a Fully Diluted Basis, JMFL shall be entitled to 40% (forty per cent) of the net profit after tax of the Company as dividend. Entire dividend paid and any direct or indirect taxes and costs incurred by the Company on account of such dividend payment will be economically borne by JMFL. (b) If JMFL's shareholding is diluted only as a result of dividend distribution as outlined in Article 9.1.6(a) then, subject to the provisions of Article 7.4 and applicable Law in India, JMFL will have the right, prior to conversion of the Investor CCPS into Equity Shares, from time to time, to subscribe to such number of Equity Shares, at book value as reflected in the financial statements of the most recently completed quarter of the current Financial Year, as may be required to maintain their shareholding at 50.01% (fifty point zero one per cent) on a Fully Diluted Basis, post such conversion. It is clarified that the benefit of this provision shall not apply in case of dilution on account of non-subscription by JMFL to any Rights Issue or in case of Transfer of its shareholding by JMFL to Third Party.
12.	**INITIAL PUBLIC OFFERING**
12.1	The Parties shall use best efforts to complete an IPO of the Company and list its Equity Shares on the National Stock Exchange of India Limited, the BSE Limited and/or any recognized Indian or international stock exchange as may be decided by the Board within 5 (five) years from the Final Closing Date, unless mutually agreed in writing between the Investor and JMFL for postponement of an IPO by the Company due to unfavourable market condition or other good and sufficient reason.
12.2	The Company and JMFL shall facilitate the IPO of the Company and shall complete all necessary compliances and formalities to ensure the listing. All costs related to such listing shall be borne by the Company. The Investor and JMFL shall be entitled to offer such number of their Equity Shares for sale at the time of IPO as may be permitted by the Law in India and as per Article 12.7 below, at the same price, terms and conditions as applicable to the IPO.

12.3	The terms of the IPO shall be based on the advice of a reputed merchant bank or investment bank chosen by the Company in consultation with JMFL and the Investor and such terms shall be finalized by the Company in mutual consultation with JMFL and the Investor.
12.4	An IPO may be achieved by means of one of the following: (a) a new issue of shares of the Company; (b) an offer for sale of the shares held by the shareholders of the Company; or (c) a combination of (a) and (b) above.
12.5	JMFL and the Investor shall not unreasonably withhold approval and shall do all acts and deeds reasonably required to effectuate such IPO.
12.6	The Company and JMFL shall neither designate the Investor and/or the Investor Director as a 'promoter' of the Company nor shall any such declaration or statement be made, either directly or indirectly, in filings with regulatory or Government authorities, offer documents or otherwise, and they shall ensure that restrictions under the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or applicable Law in India applicable to promoters do not apply to the Investor. Accordingly, JMFL shall comply with all obligations imposed on it under applicable Laws in India including in relation to promoter's contribution, if it is a promoter of the Company. Provided that nothing contained in this Article shall apply in the event that any regulatory, statutory or judicial authority, body or agency, including the SEBI rules, holds or adjudicates that the Investor is also a 'promoter' of the Company for the purpose of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or applicable Law in India or otherwise. In such an event, the Company and JMFL would extend all support and do all things and take all steps to ensure that the Investor/Investor Director is not considered a 'promoter'.
12.7	In the event that the IPO is proposed to be completed by way of an Offer for Sale ("OFS") of the shares held by the shareholders of the Company, each of JMFL and the Investor shall respectively have the right but not the obligation to offer upto 1/3rd and 2/3rd of the overall OFS component. If either of the aforesaid Parties does not exhaust their respective limits to their OFS component, then the other Party shall be entitled to exhaust the said limit.
12.8	In the event the Company has not completed the IPO as contemplated above or another mutually agreed exit event, the Investor shall be entitled to call for an IPO by the Company.
12.9	In the event that the Investor exercises the option provided to it under Article 12.8, the Company and JMFL shall cooperate and provide all necessary assistance that may be required by the Investor including JMFL Directors and JMFL, as the case may be, by voting along with the Investor Directors and Investor at the Board meeting and/or shareholders meeting respectively in connection with the implementation and execution of the IPO.

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 May 04, 2018 between the Company and the Lead Managers.

2. Agreement dated May 04, 2018 with the Registrar to the Issue.

3. Debenture Trustee Agreement dated May 04, 2018 executed between the Company and the Debenture Trustee.

4. Tripartite agreement between the Company, Registrar to the Issue and CDSL dated July 29, 2016.

5. Tripartite agreement between the Company, Registrar to the issue and NSDL dated July 27, 2016.

B. ***Material Documents***

1. Certificate of Incorporation of the Company dated May 15, 1980, issued by Registrar of Companies, Maharashtra.

2. Memorandum and Articles of Association of the Company.

3. The certificate of registration No. B-13.01781 dated August 27, 2003 issued by Reserve Bank of India u/s 45 IA of the RBI Act, 1934.

4. Credit rating letter dated April 27, 2018 from INDIA RATINGS granting credit ratings to the NCDs.

5. Credit rating letter dated April 27, 2018 from ICRA granting credit ratings to the NCDs.

6. Copy of the Board Resolution dated April 30, 2018 approving the Issue.

7. Copy of resolution passed by the NCD Public Issue Committee dated May 4, 2018 approving the Draft Shelf Prospectus.

8. Copy of the resolution passed by the NCD Public Issue Committee dated May 4, 2018 approving the issuance to the public of Secured NCDs of face value ₹ 1,000 each and Unsecured NCDs of face value ₹ 1,000 each, aggregating up to ₹ 20,000 million.

9. Resolution passed by the shareholders of the Company at the Extraordinary General Meeting held on April 30, 2018, approving the overall borrowing limit of Company.

10. Consents of the Directors, Lead Managers to the Issue, Chief Financial Officer, Company Secretary and Compliance Officer of our Company, Debenture Trustee, Credit Rating Agencies for the Issue, Lenders, bankers to the Company, bankers to the Issue, Legal Advisor to the Issue, and the Registrar to the Issue, to include their names in this Draft Shelf Prospectus in their respective capacity.

11. The consent of the Statutory Auditors of our Company, namely Deloitte Haskins & Sells, LLP for inclusion of: (a) their names as the Statutory Auditors, (b) examination reports on Reformatted Summary Financial Statements; and (c) the statement of tax benefits available to the debenture holders in the form and context in which they appear in this Draft Shelf Prospectus.

12. The examination report of the Statutory Auditors dated May 4, 2018 in relation to the Reformatted Summary Financial Statements included herein.

13. Investment agreement executed between our Company, JMFL, Mr. Vikram Pandit and Mr. Hariharan Aiyar dated June 18, 2014

14. Statement of tax benefits dated May 3, 2018 issued by our Statutory Auditors.

15. Annual Reports of the Company for the last five Financial Years.

16. Due Diligence certificate dated [●] filed by the Lead Managers with SEBI.

17. In-principle approval dated [●] for the Issue issued by the BSE.

FINANCIAL INFORMATION

REPORT OF THE INDEPENDENT AUDITOR ON THE REFORMATTED SUMMARY FINANCIAL STATEMENTS

To the Board of Directors of
JM Financial Credit Solutions Limited

Report on the Reformatted Summary Financial Statements

1) The accompanying Reformatted Summary Financial Statements of **JM Financial Credit Solutions Limited** (the "Company"), which comprise the Reformatted Summary Statements of Assets and Liabilities as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, and also the Reformatted Summary Statements of Profit and Loss and the Reformatted Summary Cash Flow Statements for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, and a summary of the significant accounting policies and other explanatory information (together comprising the "**Reformatted Summary Financial Statements**") are derived from the audited financial statements (the "Audited Financial Statements") of the Company for the respective years audited by us/previous auditor as detailed in paragraph 3(a) to 3(b) below (referred to as the "Audited Financial Statements).

2) The Reformatted Summary Financial Statements have been prepared by the Management of the Company on the basis of Note 52 to the Reformatted Summary Financial Statements and have been approved by the NCD Public Issue Committee.

3) a) We expressed our opinions on the Audited Financial Statements of the Company for the years ended March 31, 2018, March 31, 2017, March 31, 2016, and March 31, 2015 vide our reports dated April 30, 2018, April 27, 2017, May 12, 2016 and May 19, 2015 respectively.

   b) The Financial Statements of the Company for the financial year ended March 31, 2014 were audited by the previous auditors, Arun Arora & Co., on which they have expressed their opinion vide their reports dated April 23, 2014. In relation to the aforesaid financial statement audited by the previous auditor, we have not carried out any audit tests or review procedures, and, accordingly reliance has been placed on the financial statements audited by the previous auditor for the said year and the audit report thereon.

4) The Reformatted Summary Financial Statements as at and for the years ended March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014, have been regrouped/ reclassified wherever necessary to correspond with the presentation/disclosure requirements of the financial year ended March 31, 2018. The figures included in the Reformatted Summary Financial Statements, do not reflect the effect of events that occurred subsequent to the date of our reports on the respective periods referred to in paragraph 3(a) above.

5) **Management's Responsibility for the Reformatted Summary Financial Statements**
   Management is responsible for the preparation of the Reformatted Summary Financial Statements, as mentioned in paragraph 1 above, on the basis of Note 52 to the Reformatted Summary Financial Statements. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Reformatted Summary Financial Statements that are free from material misstatement, whether due to fraud and error. The Management and the Board of Directors are also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations that determine the reported amounts and disclosures in the Reformatted Summary Financial Statements.

6) **Auditor's Responsibility**
   Our responsibility is to express an opinion on the Reformatted Summary Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

7) **Opinion**

In our opinion, the Reformatted Summary Financial Statements derived from the Audited Financial Statements of the Company for the respective years are a fair summary of the Audited Financial Statements of the respective years on the basis described in Tote xx to the Reformatted Summary Financial Statements.

8) **Other matters**

a. This report should not in any way be construed as a re-audit and consequently, re-issuance or re-dating of any of the previous audit reports issued by us and/or other firms of Chartered Accountants on the Reformatted Summary Financial Statements.

b. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9) **Restrictions on Use**

This report is addressed to and is provided to enable the Company to include this report in the Draft Shelf Prospectus in connection with the issue, to be filed by the Company with National Stock Exchange Limited and BSE Limited and with the Securities and Exchange Board of India. The Reformatted Summary Financial Statements may, therefore, not be suitable for another purpose or distributed to any other person, without our prior written consent.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, May 4, 2018

JM FINANCIAL CREDIT SOLUTIONS LIMITED

REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

(In Rs MN)

		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	25.0	25.0	25.0	25.0	0.5
	Reserves and surplus	3	17,390.6	14,107.7	11,335.2	9,359.8	60.2
			17,415.6	**14,132.7**	**11,360.2**	**9,384.8**	**60.7**
2	**Non-current liabilities**						
	Long-term borrowings	4	36,133.2	25,675.7	19,569.7	1,150.0	-
	Other long-term liabilities	5	456.5	237.8	126.3	-	-
	Long-term provisions	6	297.2	202.3	125.9	48.4	2.3
			36,886.9	**26,115.8**	**19,821.9**	**1,198.4**	**2.3**
3	**Current liabilities**						
	Short-term borrowings	7	8,403.7	8,525.2	8,180.5	7,859.1	875.0
	Trade payables:	8					
	Due to micro, small and medium enterprises		-	-	-	-	-
	Others		28.5	19.7	74.1	4.9	#
	Other current liabilities	9	11,978.4	8,114.7	2,603.8	98.7	7.9
	Short-term provisions	10	98.6	3.3	27.2	11.0	1.8
			20,509.2	**16,662.9**	**10,885.6**	**7,973.7**	**884.7**
			74,811.7	**56,911.4**	**42,067.7**	**18,556.9**	**947.7**
II.	**ASSETS**						
1	**Non-current assets**						
	Property, plant and equipment	11	3.8	5.0	2.2	1.3	1.0
	Intangible assets	11	2.9	3.5	0.9	-	-
	Deferred tax assets (net)	12	158.5	123.8	75.5	35.5	-
	Long-term loans and advances	13	48,336.7	38,781.0	33,174.5	16,631.9	902.5
			48,501.9	**38,913.3**	**33,253.1**	**16,668.7**	**903.5**
2	**Current assets**						
	Cash and cash equivalents	14	1,183.4	17.0	1,018.6	31.7	23.9
	Short-term loans and advances	15	25,126.4	17,981.1	7,795.6	1,856.4	20.3
	Other current assets	16	-	-	0.4	0.1	#
			26,309.8	**17,998.1**	**8,814.6**	**1,888.2**	**44.2**
			74,811.7	**56,911.4**	**42,067.7**	**18,556.9**	**947.7**
Significant accounting policies and notes to financial statements		1 to 52					

# Denotes amount below Rs.50,000/-

REFORMATTED STATEMENT OF PROFIT AND LOSS

(In Rs MN)

		Note No.	For the year ended	For the year ended	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	17	9,579.7	7,868.5	5,187.6	941.4	41.9
(b)	Other income	18	19.6	15.1	6.9	95.9	18.1
	Total Revenue		**9,599.3**	**7,883.6**	**5,194.5**	**1,037.3**	**60.0**
II.	**Expenses:**						
(a)	Employee benefits expense	19	235.6	221.5	186.5	117.4	-
(b)	Finance costs	20	3,916.6	3,122.6	1,746.8	133.7	29.8
(c)	Provision for loans	21	167.9	76.0	76.7	43.9	2.3
(d)	Depreciation and amortization expense	11	2.3	2.1	0.9	0.2	0.4
(e)	Operating and other expenses	22	236.5	213.6	166.4	39.9	0.6
	Total expenses		**4,558.9**	**3,635.8**	**2,177.3**	**335.1**	**33.1**
III.	Profit before Tax		**5,040.4**	**4,247.8**	**3,017.2**	**702.2**	**26.9**
IV	**Less: Tax expense**						
	Current tax		1,792.2	1,523.6	1,085.1	246.7	9.8
	Deferred tax		(34.7)	(48.3)	(39.9)	(32.5)	-
	Excess provision for tax in respect of earlier year (net)		-	-	(3.4)	-	-
			1,757.5	**1,475.3**	**1,041.8**	**214.2**	**9.8**
V	**Profit for the year**		**3,282.9**	**2,772.5**	**1,975.4**	**488.0**	**17.1**
VI	**Earning Per Equity Share**	29					
	(Face value of Rs. 10/- each)						
	Basic		1,318.9	1,952.7	1,580.3	903.9	342.3
	Diluted		1,318.9	1,906.8	790.3	492.1	342.3
Significant accounting policies and notes to financial statements		1 to 52					

1. Significant Accounting Policies

1. Basis of preparation of financial statements

Financial Year 2017-18, 2016-17, 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, as applicable and the relevant provisions of the Companies Act, 2013("the 2013 Act') as applicable and the circulars and guidance issued by Reserve Bank of India from time to time. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in preparation of financial statements are consistent with those followed in 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 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 September 13, 2013 of the Ministry of Corporate Affairs) to the extent applicable and the circulars and guidance issued by Reserve Bank of India from time to time. Except otherwise mentioned, the accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. Current / Non-current classification of assets / liabilities

Financial Year 2017-18, 2016-17, 2015-16, 2014-15

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 realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classifies as non-current.

3. Use of estimates

Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

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

4. Property, Plant and Equipment

Financial Year 2017-18

Assets are recorded at historical cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation and impairment loss, if any.

Depreciation

Depreciation on Property, Plant and Equipment is provided on the straight line method at the following rates:

Assets	Useful Life

Vehicles	5 years
Computers	3 years
Servers and Networks	6 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Leasehold improvements	10 years or lease period 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.

Intangible Assets

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.
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Fixed Assets

Financial Year 2016-17

Tangible Assets

Assets are recorded at historical cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation and impairment loss, if any.

Depreciation
Depreciation on fixed assets is provided on the straight line method at the following rates:

Assets	**Useful Life**
Vehicles	5 years
Computers	3 years
Servers and Networks	6 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Leasehold improvements	10 years or lease period 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.

Intangible Assets

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.
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Financial Year 2015-16

Fixed Assets

Assets are recorded at historical cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation/ amortization and impairment loss, if any.

Depreciation

Depreciation on fixed assets is provided on the straight line method at the following rates:

Assets	Useful Life
Vehicles	5 years
Computers	3 years
Servers and Networks	6 years
Office Equipment	5 years
Furniture and Fixtures	10 years

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.

Intangible Assets

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.
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Financial Year 2014-15

Fixed Assets

Assets are recorded at historical cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation/ amortization and impairment loss, if any.

Depreciation

Depreciation on fixed assets is provided on the straight line method at the following rates:

Assets	Useful Life
Vehicles	5 years
Computers	3 years
Servers and Networks	6 years
Office Equipment	5 years
Office Premises	60 years
Furniture and Fixtures	10 years

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.

Intangible Assets

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.
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Financial Year 2013-14

Owned tangible assets

Owned tangible assets are stated at original cost of acquisition less accumulated depreciation and impairment lossed. Cost comprises of all costs incurred to bring the assets to their present location and working conditions

Depreciation
Depreciation on tangible fixed assets is provided on the Straight Line Method (SLM), based on rates as per the management's estimate of useful life of the fixed assets, or at the rates prescribed in Schedule XIV to the Act, 1956, whichever is higher, as per the following table:

Asset	Useful Life
Office premises	61 years
Furniture and fixtures	10 years
Office equipment	5 years
Computers and software	5 years
Leasehold improvements	10 years
Motor Vehicles	5 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

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.

5. Impairment of assets

Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets' net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

6. Investments

Financial Year 2017-18, 2016-17, 2015-16, 2014-15, 2013-14

Investments are classified as non-current or current. Non-current investments are carried at cost, however, provision for diminution in the value of 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 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 long-term investments is made as per the Management's estimate. Current investments are carried at lower of cost or fair value. Unquoted current investments in units of Mutual Funds are valued at the Net Asset Value of each particular scheme.

7. 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.

Additional finance charges / additional interest are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

Processing fees received from customers is recognised as income on receipt basis

Dividend income is recognised when the right to receive the dividend is established.

8. Provision for Non Performing Assets (NPA) and Standard Assets (SA)

Financial Year 2017-18

All loans and other credit exposures, where the installments 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 directions of 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 "Systemically Important Non Banking Financials (Non-Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2016" 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 2015-16

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 Financials (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 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 "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.

Financial Year 2013-14

The Company follows the Prudential Norms prescribed by the Reserve Bank of India, Non Banking Finance Companies Prudential Norms, 1988 for revenue recognition, Asset classification and provisioning. The Reserve Bank of India ("RBI") directions in respect of Non Banking financial (Non Deposit Accepting) Companies Prudential Norms (Reserve Bank) Directions, 2007 (RBI Directions, 2007), dated February 22, 2007 in respect of income recognition, income from investments, asset

classification, disclosure in the balance sheet and provisioning are followed by the Company. Accounting Standards and Guidance Notes issued by The Institute of Chartered Accountants of India ("ICAI") are followed in so far as they are non inconsistent with the RBI Directions.

9. Employee Retirement Benefits

Financial Year 2017-18, 2016-17, 2015-16, 2014-15

(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 quarter 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 on expense at the undiscounted amount in Statement of Profit and Loss of the year in which the related services are rendered.

10. Borrowing costs

Financial Year 2017-18, 2016-17, 2015-16, 2014-15

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 recognized in the Statement of Profit and Loss in the period they occur.

11. 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.

12. Earnings per Equity share

Financial Year 2017-18, 2016-17, 2015-16, 2014-15

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 are adjusted for the effects of all dilutive potential equity shares.

13. 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.

2. SHARE CAPITAL

(In Rs MN)

	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	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised										
Equity shares of Rs 10/- each	30,00,000	30.0	30,00,000	30.0	30,00,000	30.0	30,00,000	30.0	50,000	0.5
Preference shares of Rs 10/- each	20,00,000	20.0	20,00,000	20.0	20,00,000	20.0	20,00,000	20.0	-	-
		50.0		**50.0**		**50.0**		**50.0**		**0.5**
Issued, Subscribed and Paid-up										
Equity shares of Rs 10/- each fully paid-up	24,99,500	25.0	24,65,296	24.7	12,50,004	12.5	12,50,004	12.5	50,000	0.5
Compulsory convertible preference shares of Rs 10/- each fully paid-up	-	-	34,204	0.3	12,49,496	12.5	12,49,496	12.5	-	-
Total		**25.0**		**25.0**		**25.0**		**25.0**		**0.5**

2.1 Reconciliation of the number of shares outstanding

Equity Shares

(In Rs MN)

	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	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	24,65,296	24.7	12,50,004	**12.5**	12,50,004	12.5	50,000	0.5	50,000	0.5
Shares issued during the year pursuant to conversion	34,204	0.3	12,15,292	12.2	-	-	12,00,004	12.0	-	-
Shares bought back during the year	-	-	-		-	-	-	-	-	-
Shares outstanding at the end of the year	**24,99,500**	**25.0**	**24,65,296**	**24.7**	**12,50,004**	**12.5**	**12,50,004**	**12.5**	**50,000**	**0.5**

Compulsory Convertible Preference Shares **(In Rs MN)**

	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	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	34,204	**0.3**	12,49,496	**12.5**	12,49,496	12.5	-	-	-	-
Shares issued during the year pursuant to conversion	-	-	-	-	-	-	12,49,496	12.5	-	-
Shares bought back during the year	(34,204)	(0.3)	(12,15,292)	(12.2)	-	-	-	-	-	-
Shares outstanding at the end of the year	**-**	**-**	**34,204**	**0.3**	**12,49,496**	**12.5**	**12,49,496**	**12.5**	**-**	**-**

2.2 Details of shareholding in excess of 5%

	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	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Equity Shares :										
JM Financial Limited along with its nominees	12,50,000	50.01%	12,50,000	50.70%	12,50,000	99.9997%	12,50,000	99.9997%	50,000	100%
INH Mauritius 1	12,15,296	48.62%	12,15,296	49.30%	-	-				
Preference Shares :										
INH Mauritius 1	-	-	-	-	12,15,292	97.26%	12,15,292	97.26%	-	-

2.3 Terms and rights attached to each class of shares:

Financial Year 2017-18, 2016-17, 2015-16, 2014-15

Equity Shares:

The Company has only one class of shares referred to as equity shares having a face value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders.

Compulsory Convertible Preference Shares (CCPS):

Right to Rank Prior to Equity Shares:

The CCPS shall rank prior to the equity shares of the Company (the equity shares) for the purpose of dividend, liquidation, dissolution or winding up of the Company, subject to the provisions of the Act, as amended from time to time.

Voting rights:

The holders of the CCPS shall be entitled to voting rights only in respect of those resolutions placed before the Company which directly affect the rights attached to the CCPS

Dividend:

The rate of dividend in respect of CCPS shall be 0.00001% per annum of the face value of the CCPS on non-cumulative basis.

The CCPS shall be non-cumulative compulsorily convertible preference share of face value Rs. 10/- each

Terms of Preference shares:

CCPS shall be automatically converted in to Equity Shares on the third anniversary of the allotment of shares to the Investors. The CCPS shall be converted into Equity Shares such that the aggregate shareholding of the Investors post such conversion shall be 49.99% of the total paid up equity share capital of the Company. The issue price per Equity Share arising out of the said conversion shall be adjusted as per the terms and conditions agreed upon between the Company and the holders of the CCPS in writing.

NOTES TO THE FINANCIAL STATEMENTS

3 RESERVES AND SURPLUS (In Rs MN)

	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	8,811.6	8,811.6	8,811.6	-	-
(+) on issue of share	-	-	-	8,817.4	-
(-) utilised for share issue expenses	-	-	-	5.8	-
Balance as per last Balance Sheet	**8,811.6**	**8,811.6**	**8,811.6**	**8,811.6**	**-**
b. General Reserve					
Balance as per last Balance Sheet	1.7	1.7	1.7	1.7	1.7
c. Statutory Reserve					
Opening balance	1,054.3	499.8	104.6	7.0	3.6
(+) Transferred during the year	656.6	554.5	395.2	97.6	3.4
Closing balance	**1,710.9**	**1,054.3**	**499.8**	**104.6**	**7.0**
d. Surplus in Statement of Profit and Loss:					
Opening balance	4,240.1	2,022.1	441.9	51.5	37.8
(+) Profit for the year	3,282.9	2,772.5	1,975.4	488.0	17.1
	7,523.0	**4,794.6**	**2,417.3**	**539.5**	**54.9**
(-) Appropriations					
Transferred to statutory reserve	656.6	554.5	395.2	97.6	3.4
Closing balance	**6,866.4**	**4,240.1**	**2,022.1**	**441.9**	**51.5**
Total	**17,390.6**	**14,107.7**	**11,335.2**	**9,359.8**	**60.2**

4 LONG-TERM BORROWINGS (In Rs MN)

	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					
Term loan (refer note 4.1)					
- From Banks	24,388.1	18,710.6	11,900.0	650.0	-
- From other parties	1,250.0	-	250.0	-	-
Less: Current maturities of term loans	(6,520.8)	(3,581.4)	(1,189.3)	-	-
	19,117.3	**15,129.2**	**10,960.7**	**650.0**	**-**
Non-convertible debentures (refer note 4.2 and 4.3)	21,442.0	14,146.0	9,359.0	500.0	-
Premium received on issue	3.7	-	-	-	-
Less: Current maturities of Non-convertible debentures	(4,430.0)	(3,600.0)	(750.0)	-	-
	17,015.7	**10,546.0**	**8,609.0**	**500.0**	**-**
Finance lease obligations	0.5	0.9	0.4	-	-
Less: Current maturities of Finance Lease Obligations(refer	(0.3)	(0.4)	(0.4)	-	-

note 4.4)					
	0.2	**0.5**	**-**	**-**	**-**
	36,133.2	**25,675.7**	**19,569.7**	**1,150.0**	**-**

4.1 Term loans:

Financial Year 2017-18

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 loans:

42 (**In Rs MN)**

Residual Maturities	**Non-**					
	As on March 31, 2018			**As on March 31, 2017**		
	1-3 years (April 2018 to March 2021)	**3 years & above** (April 2021	**Total**	**1-3 years** (April 2017 to March 2020)	**3 years & above** (April 2020 onwards)	**Total**
Rate of interest*						
8.00 % to 9.00%	16,617.3	1,750.0	18,367.3	9,109.9	3,200.0	12,309.9
9.00 % to 10.00%	750.0	-	750.0	1,394.2	75.0	1,469.2
10.01% to 11.00%	-	-	-	1,350.1	-	1,350.1
Total	**17,367.3**	**1,750.0**	**19,117.3**	**11,854.2**	**3,275.0**	**15,129.2**

*The rate of interest for the above term loans is linked to the base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

Financial Year 2016-17

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 loans:

(**In Rs MN)**

Residual Maturities	**Non-Current**					
	As on March 31, 2017			**As on March 31, 2016**		
	1-3 years (April 2017 to March 2020)	**3 years & above** (April 2020 onwards)	**Total**	**1-3 years** (April 2016 to March 2019)	**3 years & above** (April 2019 onwards)	**Total**
Rate of interest*						
8.00 % to 9.00%	9,109.9	3,200.0	12,309.9	-	-	-
9.00 % to 10.00%	1,394.2	75.0	1,469.2	766.7	1,000.0	1,766.7
10.01% to 11.00%	1,350.1	-	1,350.1	7,527.6	1,666.4	9,194.0
Total	**11,854.2**	**3,275.0**	**15,129.2**	**8,294.3**	**2,666.4**	**10,960.7**

*The rate of interest for the above term loans is linked to the base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

Financial Year 2015-16

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 loans:

(**In Rs MN**)

Residual Maturities	**Non-Current**					
	As on March 31, 2016			**As on March 31, 2015**		
	1-3 years (April 2016 to March 2019)	**3 years & above** (April 2019	**Total**	**1-3 years** (April 2015 to March 2018)	**3 years & above** (April 2018	**Total**
Rate of interest*						
9.00 % to 10.00%	766.7	1,000.0	1,766.7	-	-	-
10.01% to 11.00%	7,527.6	1,666.4	9,194.0	650.0	-	650.0
Total	**8,294.3**	**2,666.4**	**10,960.7**	**650.0**	**-**	**650.0**

*The rate of interest for the above term loans is linked to the base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

Financial Year 2014-15

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 loans:

(**In Rs MN**)

Maturity profile	**Rate of interest**	**FY 2014-15**	**FY 2013-14**
2016-17	10.75%	325.0	**-**
2017-18	10.75%	325.0	**-**
		650.0	**-**

4.2 Non-Convertible Debentures:

Financial Year 2017-18

Non-convertible debentures aggregating Rs.21,442.0 mn (Previous year Rs.14,146.0 mn) are secured by way of first charge on freehold land (proportionately) and hypothecation on pool of certain loan fund balances of the Company.

Financial Year 2016-17

a) Rs.3,500.0 mn (Previous year Rs.4,000.0 mn) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

b) Rs.5,719.0 mn (Previous year Rs.5,059.0 mn) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

c) Rs.550.0 mn (Previous year Rs.300.0 mn) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

d) Rs.4,377.0 mn (Previous year NIL) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

Financial Year 2015-16

a) Rs. 4,000.0 mn (Previous year Rs.500.0 mn) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

b) Rs. 5,059.0 mn (Previous year Nil) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

c) Rs. 300.0 mn (Previous year Nil) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

Financial Year 2014-15

a) Rs.500.0 mn (Previous year nil) are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.

4.3 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD) face value of Rs. 1,000,000/- each:

Financial Year 2017-18

(In Rs MN)

Particulars	Non-Current		Current	
	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
0% NCD redeemable in year 2017-18*	-	-	-	500.0
10.1674 % NCD redeemable in year 2017-18	-	-	-	750.0
10.1687 % NCD redeemable in year 2017-18	-	-	-	1,000.0
10.5 % NCD redeemable in year 2017-18	-	-	-	600.0
9.9756 % NCD redeemable in year 2017-18	-	-	-	750.0
0% NCD redeemable in year 2018-19*	-	30.0	30.0	-
10.2609 % NCD redeemable in year 2018-19	-	3,000.0	3,000.0	-
10.2946 % NCD redeemable in year 2018-19	-	1,000.0	1,000.0	-
9.7307 % NCD redeemable in year 2018-19	-	400.0	400.0	-
9.3133 % NCD redeemable in year 2019-20	2,000.0	-	-	-
0% NCD redeemable in year 2019-20*	1,431.0	1,431.0	-	-
8.75 % NCD redeemable in year 2019-20	1,250.0	-	-	-
9.3037 % NCD redeemable in year 2019-20	1,250.0	-	-	-
10.5 % NCD redeemable in year 2019-20	500.0	500.0	-	-
9.7 % NCD redeemable in year 2019-20	1,000.0	1,000.0	-	-
9.25 % NCD redeemable in year 2019-20	500.0	500.0	-	-
9.69 % NCD redeemable in year 2019-20	1,000.0	1,000.0	-	-
9.7665 % NCD redeemable in year 2019-20	100.0	100.0	-	-
9.78 % NCD redeemable in year 2019-20	75.0	75.0	-	-
0 % NCD redeemable in year 2020-21*	910.0	160.0	-	-
9.15 % NCD redeemable in year 2020-21	679.0	-	-	-
9.3606 % NCD redeemable in year 2020-21	428.0	-	-	-
9.05 % NCD redeemable in year 2020-21	300.0	-	-	-
0 % NCD redeemable in year 2021-22*	2,489.0	-	-	-
9.05 % NCD redeemable in year 2021-22	1,750.0	-	-	-
9.00 % NCD redeemable in year 2021-22	100.0	100.0	-	-
9.20 % NCD redeemable in year 2021-22	700.0	700.0	-	-
9.50 % NCD redeemable in year 2021-22	250.0	250.0	-	-
9.70 % NCD redeemable in year 2021-22	300.0	300.0	-	-
	17,012.0	**10,546.0**	**4,430.0**	**3,600.0**

*** Redeemable at premium**

Note: Above excludes premium amounting to Rs.3.7 mn received on issue of Non-Convertible Debentures.

Financial Year 2016-17

(In Rs MN)

Particulars	Non-Current		Current	
	Current year	Previous year	Current year	Previous year
9.90% NCD redeemable in year 2016-17	-	-	-	500.0
0% NCD redeemable in year 2016-17*	-	-	-	250.0
0% NCD redeemable in year 2017-18*	-	500.0	500.0	-
10.1674 % NCD redeemable in year 2017-18	-	750.0	750.0	-
10.1687 % NCD redeemable in year 2017-18	-	1,000.0	1,000.0	-
10.5 % NCD redeemable in year 2017-18	-	600.0	600.0	-
9.9756 % NCD redeemable in year 2017-18	-	750.0	750.0	-
0% NCD redeemable in year 2018-19*	30.0	30.0	-	-
10.2609 % NCD redeemable in year 2018-19	3,000.0	3,000.0	-	-
10.2946 % NCD redeemable in year 2018-19	1,000.0	1,000.0	-	-
9.7307 % NCD redeemable in year 2018-19	400.0	-	-	-
0% NCD redeemable in year 2019-20*	1,431.0	179.0	-	-
10.5 % NCD redeemable in year 2019-20	500.0	500.0	-	-
9.7 % NCD redeemable in year 2019-20	1,000.0	-	-	-
9.25 % NCD redeemable in year 2019-20	500.0	-	-	-
9.69 % NCD redeemable in year 2019-20	1,000.0	-	-	-
9.7665 % NCD redeemable in year 2019-20	100.0	-	-	-
9.78 % NCD redeemable in year 2019-20	75.0	-	-	-
0 % NCD redeemable in year 2020-21*	160.0	-	-	-
9.00 % NCD redeemable in year 2021-22	100.0	-	-	-
9.20 % NCD redeemable in year 2021-22	700.0	-	-	-
9.50 % NCD redeemable in year 2021-22	250.0	-	-	-
9.70 % NCD redeemable in year 2021-22	300.0	300.0	-	-
	10,546.0	**8,609.0**	**3,600.0**	**750.0**

*** Redeemable at premium**

Financial Year 2015-16

(In Rs MN)

Particulars	Non-Current		Current	
	Current year	Previous year	Current year	Previous year
9.90% NCD redeemable in year 2016-17	-	500.0	500.0	-
0% NCD redeemable in year 2016-17*	-	-	250.0	-
0% NCD redeemable in year 2017-18*	500.0	-	-	-
10.1674 % NCD redeemable in year 2017-18	750.0	-	-	-
10.1687 % NCD redeemable in year 2017-18	1,000.0	-	-	-
10.5 % NCD redeemable in year 2017-18	600.0	-	-	-
9.9756 % NCD redeemable in year 2017-18	750.0	-	-	-
0% NCD redeemable in year 2018-19*	30.0	-	-	-
10.2609 % NCD redeemable in year 2018-19	3,000.0	-	-	-
10.2946 % NCD redeemable in year 2018-19	1,000.0	-	-	-
0% NCD redeemable in year 2019-20*	179.0	-	-	-
10.5 % NCD redeemable in year 2019-20	500.0	-	-	-
9.7 % NCD redeemable in year 2021-22	300.0	-	-	-
	8,609.0	**500.0**	**750.0**	**-**

*** Redeemable at premium**

Financial Year 2014-15

(**In Rs MN**)

Particulars	Non-Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
9.90% NCD redeemable in year 2016-17	500.0	-	-	-
	500.0	**-**	**-**	**-**

Financial Year 2017-18, 2016-17, 2015-16

4.4 Finance lease obligations are secured by way of hypothecation of vehicles**.**

5 OTHER LONG-TERM LIABILITIES

(In Rs MN)

	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	122.8	117.9	108.4	-	-
Interest accrued but not due	333.7	119.9	17.9	-	-
	456.5	**237.8**	**126.3**	**-**	**-**

6 LONG-TERM PROVISIONS **(In Rs MN)**

	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
For Standard assets (refer note below)	291.0	198.9	122.9	46.2	2.3
For employee benefits: Gratuity (refer note 25)	6.2	3.4	3.0	2.2	-
	297.2	**202.3**	**125.9**	**48.4**	**2.3**

Financial Year 2017-18

6.1 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 as amended on timely basis, requiring all NBFCs to make a general provision of 0.40 per cent (Previous year 0.35 per cent) of outstanding standard assets. The Company has created provision for standard assets, which is sufficient to comply with the aforesaid RBI Notification.

Financial Year 2016-17

6.1 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 as amended on timely basis, requiring all NBFCs to make a general provision of 0.35 per cent (Previous year 0.30 per cent) of outstanding standard assets. The Company has created provision for standard assets, which is sufficient to comply with the aforesaid RBI Notification.

Financial Year 2015-16

5.1 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 as amended on timely basis, requiring all NBFCs to make a general provision of 0.30 per cent of outstanding standard assets. The Company has created provision for standard assets, which is sufficient to comply with the aforesaid RBI Notification.

Financial Year 2014-15

5.1 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 22 / CGM (US) dated January 17, 2011, requiring all NBFCs to make a general provision at 0.25 per cent of outstanding standard assets. The Company has created provision for standard assets, which is sufficient to comply with the aforesaid RBI Notification.

7 SHORT-TERM BORROWINGS (In Rs MN)

	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					
Loans repayable on demand					
From banks					
Working Capital demand Loan (refer note 7.1)	-	-	100.0	-	-
Cash credit facilities (refer note 7.2)	538.0	660.7	1,413.2	500.3	-
Unsecured					
Other loans and advances					
Commercial paper (refer note 7.3 and note 7.4)	8,150.0	8,100.0	5,500.0	7,500.0	-
Less: Unamortised interest on commercial paper	(284.3)	(235.5)	(282.7)	(141.2)	-
	7,865.7	**7,864.5**	**5,217.3**	**7,358.8**	**-**
Loans from holding company	-	-	1,450.0	-	875.0
	7,865.7	**7,864.5**	**6,667.3**	**7,358.8**	**875.0**
	8,403.7	**8,525.2**	**8,180.5**	**7,859.1**	**875.0**

Financial Year 2017-18

7.1 Short term loan from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.

7.2 Cash credit facility from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.

7.3 The maximum amount of commercial paper outstanding at any time during the year was Rs.9,550.0 mn (Previous year Rs.8,100.0 mn).

7.4 Interest rate of commercial paper range from 6.78% to 8.90% p.a (previous year 7.35 % to 8.25% p.a).

Financial Year 2016-17

7.1 Short term loan from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.

7.2 Cash credit facility from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.

7.3 The maximum amount of commercial paper outstanding at any time during the year was Rs.8,100.0 mn (Previous year Rs.8,600.0 mn).

7.4 Interest rate of commercial paper range from 7.35% to 8.25% p.a.

Financial Year 2015-16

7.1 Short term loan from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.

7.2 Cash credit facility from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.

7.3 The maximum amount of commercial paper outstanding at any time during the year was Rs.8,600.0 mn (Previous year 7,500.0 mn).

7.4 Interest rate of commercial paper range from 8.95% to 10.30% p.a.

Financial Year 2014-15

7.2 Cash credit facility from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.

7.3 The maximum amount of commercial paper outstanding at any time during the year was Rs.7,500.0 mn (Previous year NIL).

7.4 Interest rate of commercial paper range from 9.15% to 9.97% p.a.

8 TRADE PAYABLES

Financial Year 2017-18

There are no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

(In Rs MN)

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	-	-
(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	-	-

Financial Year 2016-17, 2015-16

There are no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly disclosures, if any, relating to amounts unpaid as at the year end and together with the interest paid / payable as required under the said Act are not applicable.

(In Rs MN)

	As at 31.03.2015	As at 31.03.2014
Outstanding dues other than micro, small & medium enterprises.	4.9	#
	4.9	**#**

# Denotes amount below Rs. 50,000/-

There are no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end and together with the interest paid / payable as required under the said Act have not been given.

9 OTHER CURRENT LIABILITIES

(In Rs MN)

	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 and other parties (Refer note 4.1)	6,520.8	3,581.4	1,189.3	-	-
-Non-Convertible Debentures (Refer note 4.2 and 4.3)	4,430.0	3,600.0	750.0	-	-
	10,950.8	**7,181.4**	**1,939.3**	**-**	**-**
Finance lease obligations (Refer note 9.1 and 28)	0.3	0.4	0.4	0.2	-
Statutory dues	53.2	11.9	14.0	2.2	3.0
Interest accrued but not due	842.4	814.9	595.9	1.1	-
Employee benefits payable	131.7	106.1	54.2	95.2	-
Others	-	-	-	-	4.9
	11,978.4	**8,114.7**	**2,603.8**	**98.7**	**7.9**

9.1 Finance lease obligations are secured by way of hypothecation of vehicles.

10 SHORT-TERM PROVISIONS

(In Rs MN)

	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 tax (net)	17.8	-	24.2	8.5	1.8
Provision for non-performing assets	75.8	-	-	-	-
For employee benefits:					
-Gratuity (Refer note 25)	0.4	0.2	0.2	0.2	-
-Compensated absences	4.6	3.1	2.8	2.3	-
	98.6	**3.3**	**27.2**	**11.0**	**1.8**

11 PROPERTY, PLANT AND EQUIPMENT

(In Rs MN)

Description	GROSS BLOCK March 31					DEPRECIATION/AMORTISATION March 31					NET BLOCK March 31				
	As at 2018	As at 2017	As at 2016	As at 2015	As at 2014	As at 2018	As at 2017	As at 2016	As at 2015	As at 2014	As at 2018	As at 2017	As at 2016	As at 2015	As at 2014
PROPERTY, PLANT AND EQUIPMENT															
Owned Assets:															
Office premises	-	-	-	-	1.9	-	-	-	-	0.9	-	-	-	-	1.0
Electrical fittings	-	-	-	-	0.1	-	-	-	-	0.1	-	-	-	-	-
Freehold land	0.5	0.5	0.5	0.5	-	-	-	-	-	-	0.5	0.5	0.5	0.5	-
Computers	3.3	2.8	1.3	0.6	-	2.0	1.1	0.5	0.1	-	1.3	1.7	0.8	0.6	-
Furniture and fixtures	0.6	0.6	0.4	0.1	1.4	0.1	0.1	#	#	1.4	0.5	0.5	0.4	0.1	-
Office Equipment	0.2	0.2	0.1	-	0.3	0.1	0.1	#	-	0.3	0.1	0.2	0.1	-	-
Leasehold improvements	1.5	1.5	-	-	-	0.5	0.2	-	-	-	1.0	1.3	-	-	-
Leased Assets:															
Vehicles	1.8	1.8	0.9	0.2	-	1.4	1.0	0.5	0.1	-	0.4	0.8	0.4	0.1	-
Total	**7.9**	**7.4**	**3.2**	**1.4**	**3.7**	**4.1**	**2.5**	**1.0**	**0.2**	**2.7**	**3.8**	**5.0**	**2.2**	**1.3**	**1.0**
INTANGIBLE ASSETS:															
Software (Purchased)	4.2	4.1	0.9	-	-	1.3	0.6	-	-	-	2.9	3.5	0.9	-	-
Grand total	**12.1**	**11.5**	**4.1**	**1.4**	**3.7**	**5.4**	**3.1**	**1.0**	**0.2**	**2.7**	**6.7**	**8.5**	**3.1**	**1.3**	**1.0**

# Denotes amount below Rs.50,000/-

12 DEFFERED TAX ASSETS (NET)

(In Rs MN)

	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	100.7	68.8	42.5	16.0	-
Disallowances under section 43B of the Income Tax Act, 1961	57.8	54.6	31.3	16.9	-
Share issue expense	0.7	1.3	2.0	2.6	-
Difference between books and tax written down value of fixed assets	(0.7)	(0.9)	(0.3)	#	-
	158.5	**123.8**	**75.5**	**35.5**	**-**

# Denotes amount below Rs.50,000/-

13 LONG-TERM LOANS AND ADVANCES

(In Rs MN)

	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*	47,327.7	38,753.3	33,153.0	16,628.7	900.0
Unsecured	1,000.0	-	-	-	-
Capital advances	0.1	-	2.3	0.7	-
Advance tax (net of provisions)	8.3	12.8	4.8	2.5	2.5
Security deposits	0.6	14.9	14.4	-	#
	48,336.7	**38,781.0**	**33,174.5**	**16,631.9**	**902.5**

# Denotes amount below Rs.50,000/-

Financial Year 2017-18

*includes loan funds of Rs.950.0 mn (previous year Nil) in the form of Non-convertible debentures.

14 CASH AND CASH EQUIVALENTS

(In Rs MN)

	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
Cash and cash equivalents					
Cash in hand	-	#	#	#	-
Balances with banks					
- in current accounts	683.4	17.0	18.6	29.2	8.9
- in deposit accounts	500.0	-	1,000.0	-	15.0
	1,183.4	**17.0**	**1,018.6**	**29.2**	**23.9**
Other bank balances					
In deposit accounts	-	-	-	2.5	-
	-	**-**	**-**	**2.5**	**-**
	1,183.4	**17.0**	**1,018.6**	**31.7**	**23.9**

# Denotes amount below Rs.50,000/-

Financial Year 2015-16

14.1 Deposit accounts under lien Nil, (Previous year Rs. 2.5 mn) against which overdraft facilities amounting to Nil (Previous year Nil) has been availed.

Financial Year 2014-15

14.1 Deposit accounts under lien of Rs. 2.5 mn, (Previous year Nil) against which overdraft facilities amounting to Nil (Previous year Nil) has been availed.

15 SHORT-TERM LOANS AND ADVANCES

(In Rs MN)

	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)	24,811.1	17,606.2	6,741.7	1,815.9	9.1
Loan funds (Unsecured)	250.0	222.0	850.0	-	-
Income accrued and due	60.6	147.6	171.7	0.6	7.4
Income accrued but not due	-	-	25.2	24.8	-
Security deposits	-	-	-	14.3	-
Prepaid expenses	3.3	2.2	0.3	-	-
Other advances	1.4	3.1	6.7	0.8	3.8
	25,126.4	**17,981.1**	**7,795.6**	**1,856.4**	**20.3**

16 OTHER CURRENT ASSETS

(In Rs MN)

	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	-	-	0.4	0.1	#
	-	**-**	**0.4**	**0.1**	#

# Denotes amount below Rs.50,000/-

17 REVENUE FROM OPERATIONS (In Rs MN)

	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
Income from funding activities					
Interest on loans	8,697.5	7,077.4	4,683.6	723.8	22.9
Processing and prepayment fees	882.2	791.1	504.0	217.6	19.0
	9,579.7	**7,868.5**	**5,187.6**	**941.4**	**41.9**

18 OTHER INCOME (In Rs MN)

	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 Income					
Bank deposits	-	1.1	1.1	1.9	13.3
Interest on income tax refund	-	-	0.6	-	-
	-	**1.1**	**1.7**	**1.9**	**13.3**
Profit on Sale of Investments (Net)					
Current investments	19.6	12.5	0.6	-	0.7
Dividend on investments					
Current investments	-	1.5	4.6	36.6	4.0
Non-current investments	-	-	-	-	0.1
Profit on sale of assets	-	-	-	57.4	-
Miscellaneous income	-	#	#	-	-
	19.6	**15.1**	**6.9**	**95.9**	**18.1**

# Denotes amount below Rs.50,000/-

19 EMPLOYEE BENEFITS EXPENSE (In Rs MN)

	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	228.0	217.0	181.1	115.9	-
Contribution to provident and other funds	4.3	3.2	3.0	0.8	-
Gratuity (refer note 25)	2.9	0.9	0.5	0.6	-
Staff welfare expenses	0.4	0.4	1.9	0.1	-
	235.6	**221.5**	**186.5**	**117.4**	**-**

20 FINANCE COSTS

(In Rs MN)

	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 loans	3,778.5	3,044.0	1,663.7	126.6	29.8
- on bank overdraft	40.2	58.2	65.6	0.3	-
- on others	4.0	0.1	0.1	#	-
Other borrowing costs	93.9	20.3	17.4	6.7	-
	3,916.6	**3,122.6**	**1,746.8**	**133.6**	**29.8**

# Denotes amount below Rs.50,000/-

21 PROVISION FOR LOANS

(In Rs MN)

	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	92.1	76.0	76.7	43.9	2.3
Provision on non-performing assets	75.8	-	-	-	-
	167.9	**76.0**	**76.7**	**43.9**	**2.3**

22 OPERATING AND OTHER EXPENSES

(In Rs MN)

	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
Rates and taxes	12.8	11.8	11.3	12.7	0.4
Legal and professional fees	17.3	37.2	21.1	12.6	#
Support service charges	107.0	104.5	89.9	6.4	-
Space and related charges	17.5	14.2	15.1	5.3	-
Information technology expenses	3.0	1.4	-	-	-
Travelling and conveyance	8.2	3.3	4.7	0.8	#
Filing fees	-	0.1	-	0.6	#
Auditors remuneration (refer note 24)	1.1	1.3	1.2	0.3	#
Repairs and maintenance	1.3	0.7	2.3	0.4	-
Electricity expenses	1.3	1.4	1.5	0.4	#
Donations (refer note 44)	60.1	30.5	14.8	-	0.1
Insurance expense	0.6	0.9	0.9	-	-
Bank charges	0.6	1.6	0.7	0.1	#
Printing and stationery	0.6	0.2	0.4	-	-
Membership and subscription	2.2	1.7	0.9	-	-
Communication expenses	0.6	0.6	0.6	0.1	-
Director sitting fees	0.8	0.8	#	-	-
Miscellaneous expenses	1.5	1.4	1.0	0.2	0.1
	236.5	**213.6**	**166.4**	**39.9**	**0.6**

# Denotes amount below Rs.50,000/-

23 Contingent Liabilities and commitments: **(In Rs MN)**

	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
Continent liability:	-	-	-	-	-
Undisbursed Commitment *	9,410.1	622.6	2,248.8	-	-
Capital Commitments:					
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	0.5	1.6	-
	9,410.1	**622.6**	**2,249.3**	**1.6**	**-**

Financial Year 2017-18, 2016-17, 2015-16

*This disclosure is given pursuant to the notification no. DNBS.CC.PD.No.252/03.10.01/2011-12 dated 26th Dec, 2011 issued by Reserve Bank of India.

24 Payment to Auditors: (Excluding service tax) **(In Rs MN)**

	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
Audit Fees	0.8	0.8	0.9	0.3	#
In any other manner (Certifications, limited reviews, etc.)	0.3	0.5	0.3	-	#
Out of pocket	#	#	-	-	-
	1.1	**1.3**	**1.2**	**0.3**	**#**

# Denotes amount below Rs.50,000/-

25 Employee Benefits:

Defined Contribution Plan:

Financial Year 2017-18

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. 4.3 mn (Previous year Rs. 3.2 mn).

Financial Year 2016-17

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. 3.2 mn (Previous year Rs. 3.0 mn).

Financial Year 2015-16

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. 3.0 mn (Previous year Rs. 0.8 mn).

Financial Year 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. 0.8 mn (Previous year nil).

Defined Benefit Plan: [Gratuity (Unfunded)]

	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. Reconciliation of liability recognised in the Balance Sheet	**(In Rs MN)**	**(In Rs MN)**	**(In Rs MN)**	**(In Rs. MN)**	**(In Rs. MN)**
Fair value of plan assets as at the end of the year	-	-	-	-	-
Present value of obligation as at the end of the year	6.8	3.6	3.2	2.4	-
Unrecognised past service cost	0.2	-	-	-	-
Net liability in the Balance Sheet	6.6	3.6	3.2	2.4	-

II. Movement in net liability recognised in the Balance Sheet	**(In Rs MN)**	**(In Rs MN)**	**(In Rs MN)**	**(In Rs. MN)**	**(In Rs. MN)**
Net liability as at the beginning of the year	3.6	3.2	2.4	-	-
Net expense recognised in the Statement of Profit and Loss	2.9	0.9	0.5	0.6	-
Liabilities assumed on acquisition / (settled on divestiture)	-	(0.4)	0.3	1.8	-
Payments during the year	-	(0.1)	-	-	-
Net liability as at the end of the year	6.6	3.6	3.2	2.4	-

III. Expense recognised in the Statement of Profit and Loss (Under the head employee benefit expenses)	**(In Rs MN)**	**(In Rs MN)**	**(In Rs MN)**	**(In Rs. MN)**	**(In Rs. MN)**
Current service cost	0.5	0.4	0.3	0.1	-
Interest cost	0.3	0.3	0.2	0.1	-
Past service cost	1.8	-	-	0.4	-
Actuarial losses	0.3	0.2	-	-	-
Expense charged to Statement of Profit and Loss	2.9	0.9	0.5	0.6	-

IV. Reconciliation of defined	**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**

benefit commitments	(In Rs MN)	(In Rs MN)	(In Rs MN)	(In Rs. MN)	(In Rs. MN)
Commitments at the beginning of the year	3.6	3.2	2.4	-	-
Current service cost	0.5	0.4	0.3	0.1	-
Interest cost	0.3	0.3	0.2	0.1	-
Past service cost	1.8	-	-	0.4	-
Actuarial losses	0.3	0.2	#	-	-
Liabilities assumed on acquisition / (settled on divestiture)	-	(0.4)	0.3	1.8	-
Benefits Paid	-	(0.1)	-	-	-
Commitments at the year end	6.6	3.6	3.2	2.4	-

# Denotes amount below Rs.50,000/-

V. Experience Adjustments	31-Mar-18 (In Rs MN)	31-Mar-17 (In Rs MN)	31-Mar-16 (In Rs MN)	31-Mar-15 (In Rs MN)	31-Mar-14 (In Rs MN)
Defined benefit obligation	6.6	3.6	3.2	2.4	-
Surplus / (Deficit)	(6.6)	(3.6)	-	(2.4)	-
Experience adj. on plan Liabilities	0.8	#	#	-	-

# Denotes amount below Rs.50,000/-

VI. Actuarial Assumptions	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
Mortality table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount rate (per annum)	7.85%	7.20%	7.95%	8.00%	NA
Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	7.00%	NA

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.

26 Related Party Disclosure

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
(i) Names of related parties and description of relationship where control exists					
Holding Company					
JM Financial Limited	✔	✔	✔	✔	✔ (w.e.f. March 29, 2014)
J.M. Financial & Investment Consultancy Services Pvt Ltd					✔ (till March 28, 2014)
(ii) Names of related parties and description of relationship where transactions have taken place					
A. Holding Company					
JM Financial Limited	✔	✔	✔	✔	✔ (w.e.f. March 29, 2014)
B. Fellow Subsidiaries					
JM Financial Institutional Securities Limited	✔ (up to December 31, 2017)	✔	✔	✔	
JM Financial Services Limited	✔	✔	✔	✔	
JM Financial Products Limited	✔	✔	✔	✔	
JM Financial Properties and Holdings Limited	✔	✔	✔	✔	
CR Retail Malls (India) Limited	✔				
JM Financial Commtrade Limited	✔				

C. Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual					
Mr. Nimesh Kampani	✗	✔ (up to September 30, 2016)	✔	✔	✔
Mr. Vishal Kampani	✔	✔	✔	✔	
Ms. Amishi Kampani	✔	✔	✔		
Mr. Hari Aiyar				✔	
D. Enterprises over which any person described in (C) is able to exercise significant influence					
J. M. Financial & Investment Consultancy Services Private Limited				✔	
Key management personnel					
Mr. Shashwat Belapurkar (CEO)	✔	✔			
Ms. Tara Subramaniam (COO)	✗ (up to March 31, 2017)	✔			
Mr. Gagan Kothari (CFO)	✔	✔			
Mr. Hemant Pandya (CS)	✔	✔			

✔ Related party as on year end date

JM FINANCIAL CREDIT SOLUTIONS LIMITED

Summary of Transactions:

(In Rs MN)

Name of the related party	Nature of transactions	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
A. Holding Company						
JM Financial Limited	Issue of Equity shares	-	-	-	3,444.0	-
	Inter corporate deposit taken	-	-	1,450.0	-	-
	Inter corporate deposit repaid	-	1,450.0	-	875.0	875.0
	Interest expenses on inter corporate deposits taken	-	30.7	28.7	45.4	29.8
	Rating support fees	67.9	-	-	-	
	Support service charges	19.8	18.0	18.0	6.0	-
	Reimbursement of expenses	0.1	4.0	6.1	2.5	-
	Closing balance payable as at the year end	23.4	-	1,450.0	-	875.0
B. Fellow Subsidiaries						
JM Financial Properties and Holdings Limited	Space and related charges	15.5	12.5	12.5	4.0	-
	Reimbursement of expenses (paid)	3.2	4.0	2.7	0.7	-
	Rent deposit repaid	14.3	-	-	14.3	-
	Closing balance as at the year end - rent deposit	-	14.3	14.3	14.3	-
JM Financial Services Limited	Demat charges	-	#	#	#	-
	Closing balance payable as at the year end	-	#	-	#	-
JM Financial Institutional Securities Limited	Transfer of gratuity	-	-	0.3	-	-
	Transfer of car loan	-	-	0.8	-	-
	Transfer of fixed assets (vehicles)	-	-	0.7	-	-
	Reimbursement of expenses (paid)	0.1	0.1	0.1	#	-
	Closing balance payable as at the year end	-	-	-	-	-
JM Financial Products Limited	Inter corporate deposits given	-	750.0	-	2,895.0	-
	Inter corporate deposits received back	-	750.0	-	2,895.0	-
	Inter corporate deposits taken	1,250.0	1,300.0	2,505.0	4,131.0	-
	Inter corporate deposits repaid	1,250.0	1,300.0	2,505.0	4,131.0	-

	Interest expenses on inter corporate deposits taken	1.9	0.8	11.1	7.1	-
	Interest income on inter corporate deposits given	-	0.2	-	3.1	-
	Support service charges	80.0	79.4	66.0	-	-
	Transfer of gratuity (paid)	-	0.4	-	-	-
	Transfer of gratuity (received)	-	-	-	1.8	-
	Transfer of Car Loan	-	-	-	0.2	-
	Transfer of fixed assets	-	-	-	0.6	-
	Reimbursement of expenses (paid)	-	-	#	0.7	-
	Closing balance payable as at the year end	-	9.9	69.0	-	-
CR Retail Malls (India) Limited	Inter corporate deposits given	250.0	-	-	-	-
	Inter corporate deposits received back	250.0	-	-	-	-
	Interest income on inter corporate deposits given	0.3	-	-	-	-
JM Financial Commtrade Limited	Inter corporate deposits given	420.0	-	-	-	-
	Inter corporate deposits received back	420.0	-	-	-	-
	Interest income on inter corporate deposits given	0.7	-	-	-	-
C. Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual						
Amishi Kampani	Remuneration	6.2	3.2	6.7	3.9	-
	Contribution to provident fund	0.1	0.0	0.1	#	-
	Closing balance payable as at the year end	6.6	6.2	6.1	3.2	-
D. Enterprises over which any person described in (C) is able to exercise significant influence						
J. M. Financial & Investment Consultancy Services Private Limited	Sale of investments	-	-	-	-	25.0
Key management personnel	Remuneration	82.8	110.4	96.7	-	-
	Contribution to provident fund	0.9	1.2	1.1	-	-
	Closing balance payable as at the year end	104.8	121.8	100.8	-	-

# Denotes amount below Rs.50,000/-

26.1 There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.

26.2 The transactions disclosed above are exclusive of service tax and GST.

27 Segment Reporting

Financial Year 2017-18, 2016-17, 2015-16, 2014-15,
The main business of the Company is in India to provide loans. All other activities of the Company revolve around the main business and accordingly there are no separate reportable segments, as per the Accounting Standard on 'Segment reporting' (AS 17) prescribed under section 133 of the Companies Act, 2013.

Financial Year 2013-14

a) Primary Segment:

As per accounting standard 17, Company has three reportable business segments. (i.e.) (a) Fund based (b) Investments & (c) Rentals.(Previous year only two segments viz (a) Investments & (b) Rentals. Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identifiable with individual segments or have been allocated to segments on a systematic basis

Based on such allocations segmental wise details are as per annexure

(In Rs. MN)

Particulars	**31.03.2014**
Segment wise revenue	
Fund based	55.1
Investments	4.8
Rentals	0.0
Unallocated	0.0
Total segment revenue	**60.0**
Segment results	
Fund based	23.0
Investments	4.8
Rentals	(0.2)
Unallocated	(0.8)
Total segment results	**26.9**
Segment assets	
Fund based	931.5
Investments	0.0
Rentals	1.0
Unallocated	13.4
Total segment assets	**945.9**
Segment liabilities	
Fund based	880.3
Investments	0.0
Rentals	0.0
Unallocated	4.9
Total segment liabilities	**885.2**
Capital expenditure incurred during the year	
Investments	-

Rentals	-	
Unallocated	-	
Total segment liabilities	-	

b) Secondary Segment (by Geographical segments):
The Company does not have any reportable geographical segment.

28 Lease Transactions:

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:

	Total minimum lease payments outstanding as at the year end	Interest expenses	Present value of the minimum lease payments
	(In Rs MN)	(In Rs MN)	(In Rs MN)
Not later than one year	0.4 (0.5)	0.1 (0.1)	0.3 (0.4)
Later than one year and not later than five years	0.2 (0.6)	# (0.1)	0.2 (0.5)
Later than five years	- (-)	- (-)	- (-)
Total	0.6 (1.1)	0.1 (0.2)	0.5 (0.9)

# Denotes amount below Rs.50,000/-
Figures in brackets are for previous year.

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:

	Total minimum lease payments outstanding as at the year end	Interest expenses	Present value of the minimum lease payments
	(In Rs MN)	(In Rs MN)	(In Rs MN)
Not later than one year	0.5 (0.4)	0.1 #	0.4 (0.4)
Later than one year and not later than five years	0.6 (0.1)	0.1 #	0.5 (0.1)
Later than five years	- (-)	- (-)	- (-)
Total	1.1 (0.5)	0.2 #	0.9 (0.4)

# Denotes amount below Rs.50,000/-
Figures in brackets are for previous year.

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:

(In Rs MN)

	Total minimum lease payments outstanding as at the year end	Interest expenses	Present value of the minimum lease payments
Not later than one year	0.4 (0.2)	# #	0.4 (0.2)
Later than one year and not later than five years	0.1 (-)	# (-)	0.1 (-)
Later than five years	- (-)	- (-)	- (-)
Total	0.5 (0.2)	# #	0.4 (0.2)

# Denotes amount below Rs.50,000/-
Figures in brackets are for previous year.

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:

(In Rs MN)

	Total Minimum Lease Payments outstanding as at the year end	Interest expenses	Present value of the minimum lease payments
Not later than one year	0.2 (-)	# (-)	0.2 (-)
Later than one year and not later than five years	- (-)	- (-)	- (-)
Later than five years	- (-)	- (-)	- (-)
Total	**0.2** **(-)**	**#** **(-)**	**0.2** **(-)**

# Denotes amount below Rs.50,000/-
Figures in brackets are for previous year.

Operating leases

The Company has taken certain premises on non-cancellable operating lease basis. The tenure of such agreements ranges from 36 months to 48 months.

The minimum lease rentals outstanding in respect of these are as under: **(In Rs MN)**

Due	Total minimum lease payments outstanding as at 31st March, 2018	Total minimum lease payments outstanding as at 31st March, 2017	Total minimum lease payments outstanding as at 31st March, 2016	Total minimum lease payments outstanding as at 31st March,	Total minimum lease payments outstanding as at 31st March,
Not later than one year	18.9	13.2	13.2	13.5	-
Later than one year and not later than five years	71.2	50.6	38.8	56.5	-
Later than five years	-	-	-	-	-
Total	**90.1**	**63.8**	**52.0**	**70.0**	**-**

Financial Year 2017-18

Lease payments recognised in the Statement of Profit and Loss for the current year are Rs. 16.2 MN (Previous year Rs. 13.3 MN) excluding GST and Service tax.

Financial Year 2016-17

Lease payments recognised in the Statement of Profit and Loss for the current year are Rs. 14.2 MN (Previous year Rs. 15.1 MN).

Financial Year 2015-16

Lease payments recognised in the Statement of Profit and Loss for the current year are Rs. 15.1 MN (Previous year Rs. 5.3 MN).

Financial Year 2014-15

Lease payments recognised in the Statement of Profit and Loss for the current year are Rs. 5.3 MN (Previous year NIL/-).

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	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
Profit for the year (In Rs MN)	3,282.9	2,772.5	1,975.4	488.0	17.1
Profit attributable to equity shareholders (In Rs MN)	3,282.9	2,772.5	1,975.4	488.0	17.1
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	24,89,098	14,19,812	12,50,004	5,39,864	50,000
Basic earnings per share (Rupees)	1,318.9	1,952.7	1,580.3	903.9	342.3
Dilutive potential equity shares (Nos.)	-	34,204	12,49,496	4,51,873	-
Weighted average number of	24,89,098	14,54,016	24,99,500	9,91,737	50,000

equity shares outstanding during the year for calculating diluted earnings per share (Nos.)					
Diluted earnings per share (Rupees)	1,318.9	1,906.8	790.3	492.1	342.3
Nominal value per share (Rupees)	10.0	10.0	10.0	10.0	10.0

30 Information pursuant to RBI Guidelines on Securitisation of standard assets dated February 1, 2006

Sr No	Particulars	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)	Total Number of transactions wherein Loan assets securitized	-	-	-	-	-
(ii)	Total book value of loan assets securitised – Rupees	-	-	-	-	-
(iii)	Total sales consideration received for the securitised assets – Rupees	-	-	-	-	-
(iv)	Gain on sale on account of securitisation – Rupees	-	-	-	-	-
(v)	Gain recognized in the Statement of Profit and Loss – Rupees	-	-	-	-	-
(vi)	Outstanding value of any services provided by way of credit enhancement, liquid support, post -securitisation asset servicing etc.	-	-	-	-	-
		-	-	-	-	-

31 Information pursuant to RBI Guidelines on Capital adequacy, liquidity and disclosure norms dated August 1, 2008 :-

(i) Capital risk adequacy ratio (CRAR):

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
CRAR	22.44%	24.89%	27.10%	50.82%
CRAR - Tier I capital	22.07%	24.54%	26.81%	50.57%
CRAR - Tier II capital	0.37%	0.35%	0.29%	0.25%
Amount of subordinated debt raised as Tier-II capital	-	-	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-	-	-

(ii) Exposures:

A. Exposure to Real Estate Sector

(In Rs MN)

	Category	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)	**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 lacs may be shown separately)					
(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;	72,138.8	55,729.5	39,614.7	17,694.6	900.0
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures-** a) Residential, b) Commercial Real Estate.					

B. Exposures to Capital Market

(In Rs MN)

	Category	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)	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 taken as primary security;	-	630.0	1,130.0	750.0	9.1
(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 / 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		**630.0**	**1,130.0**	**750.0**	**9.1**

iii. Asset Liability Management:

Financial Year 2017-18

Maturity pattern of certain items of assets and liabilities: **(In Rs MN)**

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
Assets									
Deposits	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances	563.5	658.8	3,693.9	1,728.7	18,481.5	37,264.7	11,072.0	-	73,463.1
	(1,546.1)	(2,287.2)	(1,478.7)	(2,984.9)	(9,684.2)	(32,300.7)	(6,480.2)	-	(56,762.1)
Investments	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Liabilities									
Borrowing	267.9	2,067.0	4,421.0	6,053.6	6,545.5	28,791.6	7,341.4	-	55,488.0
	(111.2)	(3,863.2)	(3,590.7)	(2,691.8)	(5,450.1)	(20,890.7)	(4,785.0)	-	(41,382.7)
Foreign currency assets	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

# Denotes amount below Rs.50,000/-

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) Figures in brackets are for previous year.

JM FINANCIAL CREDIT SOLUTIONS LIMITED

Financial Year 2016-17

Maturity pattern of certain items of assets and liabilities: **(In Rs MN)**

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	111.2 (-)	139.0 (-)	664.2 (133.3)	941.6 (283.3)	5,449.9 (2,285.9)	12,354.2 (7,952.6)	3,995.0 (2,758.1)	- (-)	23,655.1 (13,413.2)
Market Borrowings	# #	3,724.2 (739.3)	2,926.5 (1,940.3)	1,750.2 (1,453.4)	0.2 (3,284.6)	8,536.5 (7,880.1)	790.0 (679.0)	- (300.0)	17,727.6 (16,276.7)
Assets									
Advances	1,546.1 (666.2)	2,287.2 (110.1)	1,478.7 (809.6)	2,984.9 (626.8)	9,684.2 (5,582.9)	32,300.7 (30,977.4)	6,480.2 (797.0)	- (1,400.1)	56,762.1 (40,970.1)

# Denotes amount below Rs.50,000/-

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) Figures in brackets are for previous year.

JM FINANCIAL CREDIT SOLUTIONS LIMITED

Financial Year 2015-16

Maturity pattern of certain items of assets and liabilities: **(In Rs MN)**

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	-	-	133.3	283.3	2,285.9	7,952.6	2,758.1	-	13,413.2
	(0.3)	(-)	(-)	(-)	(500.0)	(650.0)	(-)	(-)	(1,150.3)
Market Borrowings	#	739.3	1,940.3	1,453.4	3,284.6	7,880.1	679.0	300.0	16,276.8
	(1,991.2)	(4,448.5)	#	#	(919.2)	(500.0)	(-)	(-)	(7,858.9)
Assets									
Advances	666.2	110.1	809.6	626.8	5,582.9	30,977.4	797.0	1,400.1	40,970.1
	(69.8)	(106.0)	(84.2)	(380.7)	(1,202.3)	(15,423.1)	(1,222.3)	(-)	(18,488.3)

# Denotes amount below Rs.50,000/-

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) Figures in brackets are for previous year.

Financial Year 2014-15

Maturity pattern of certain items of assets and liabilities: **(In. Rs MN)**

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	0.3	-	-	-	500.0	650.0	-	-	1,150.3
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Market Borrowings	1,991.2	4,448.5	#	#	919.2	500.0	-	-	7,858.9
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Assets									
Advances	69.8	106.0	84.2	380.7	1,202.3	15,423.1	1,222.3	-	18,488.3
	(20.4)	(-)	(-)	(-)	(-)	(902.5)	(-)	(-)	(922.8)

# Denotes amount below Rs.50,000/-
Figures in brackets are for previous year
Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

32 Schedule to the Balance Sheet (as required in terms of Paragraph 18 of Master Directions – Non-Banking Financial Company - "Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016

(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: **(In Rs MN)**

	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	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities side										
(a)	Debentures										
	(i) Secured	22,526.6	-	15,001.8	-	9,926.7	-	500.9	-	-	-
	(ii) Unsecured	-	-	-	-	-	-	-	-	-	-
	(other than falling within the meaning of public deposits)										
(b)	Deferred Credits	-	-	-	-	-	-	-	-	-	-
(c)	Term Loans	25,733.2	-	18,788.6	-	12,191.9	-	650.2	-	-	-
(d)	Inter-corporate loans and borrowing	-	-	-	-	1,450.0	-	-	-	875.0	-
(e)	Commercial Paper	7,865.7	-	7,864.5	-	5,217.3	-	7,358.8	-	-	-
(f)	Other Loans (Please Specify)	-	-	-	-	-	-	-	-	-	-
	Working Capital Loan	-	-	-	-	100.5	-	-	-	-	-
	Cash Credits	538.0	-	661.7	-	1,416.9	-	500.3	-	-	-
	Due under finance lease	0.5	-	0.9	-	0.4	-	0.2	-	-	-

(2) Break up of Loans and Advances including bills receivables (other than those included in (4) below):

(In Rs. MN)

	Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
	Assets side	**Amount outstanding**	**Amount Outstanding**	**Amount Outstanding**	**Amount Outstanding**	**Amount Outstanding**
(a)	Secured	72,138.8	56,359.5	39,894.7	18,444.6	909.1
(b)	Unsecured	1,250.0	222.0	850.0	-	-

(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:

(In Rs. MN)

	Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
	Assets side	**Amount outstanding**	**Amount Outstanding**	**Amount Outstanding**	**Amount Outstanding**	**Amount Outstanding**
(i)	Lease assets including lease rentals under sundry debtors:					
	(a) Financial Lease	-	-	-	-	-
	(b) Operating Lease	-	-	-	-	-
(ii)	Stock on hire including hire charges under sundry debtors:					
	(a) Assets on hire	-	-	-	-	-
(iii)	Other loans counting towards AFC activities:					
	(a) Loans where assets have been repossessed	-	-	-	-	-
	(b) Loans other than (a) above	-	-	-	-	-

(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:

(In Rs. MN)

	Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
	Break – up of Investments:	**Amount outstanding**	**Amount Outstanding**	**Amount Outstanding**	**Amount Outstanding**	**Amount Outstanding**
	Current Investments:					
	1. Quoted:					
	(i) Shares:					
	(a) Equity	-	-	-	-	-
	(b) Preference	-	-	-	-	-
	(ii) Debentures and Bonds	-	-	-	-	-
	(iii) Units of Mutual Funds	-	-	-	-	-
	(iv) Government Securities	-	-	-	-	-
	(v) Others (Please Specify)	-	-	-	-	-
	2. Unquoted:					
	(i) Shares:					
	(a) Equity	-	-	-	-	-
	(b) Preference	-	-	-	-	-
	(ii) Debentures and Bonds	-	-	-	-	-
	(iii) Units of Mutual Funds	-	-	-	-	-
	(iv) Government Securities	-	-	-	-	-
	(v) Others (Please Specify)	-	-	-	-	-

(5) Borrower group – wise classification of assets financed as in (2) and (3) above:

(Amount net of provision) **(In Rs. MN)**

	Category	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		
		Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties															
	(a) Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Other than related parties	72,138.8	1,250.0	73,388.8	56,359.5	222.0	56,581.5	39,894.7	850.0	40,744.7	18,444.6	-	18,444.6	909.1	-	909.1
	Total	72,138.8	1,250.0	73,388.8	56,359.5	222.0	56,581.5	39,894.7	850.0	40,744.7	18,444.6	-	18,444.6	909.1	-	909.1
	Less: Provision for non-performing assets	75.8	-	75.8	-	-	-	-	-	-	-	-	-	-	-	-
		72,063.0	**1,250.0**	**73,313.0**	**56,359.5**	**222.0**	**56,581.5**	**39,894.7**	**850.0**	**40,744.7**	**18,444.6**	**-**	**18,444.6**	**909.1**	**-**	**909.1**

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(In Rs. MN)

	Category	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	
		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)
1)	**Related Parties**										
	(a) Subsidiaries	-	-	-	-	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-	-	-	-	-
2)	Other than related parties	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-

(7) Other Information:

(In Rs. MN)

	Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
		Amount	Amount	Amount	Amount	Amount
(i)	Gross Non – Performing Assets					
	(a) Related Parties	-	-	-	-	-
	(b) Other than related parties	758.0	-	-	-	-
(ii)	Net Non – Performing Assets					
	(a) Related Parties					
	(b) Other than related parties	682.2	-	-	-	-
(iii)	Assets acquired in satisfaction of debt	-	-	-	-	-

33 Financial Year 2017-18

There are no restructured advances as on March 31, 2018 Hence disclosure of information as required in terms of Paragraph 24 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 (as amended vide Notification No. DNBS(PD).No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

Financial Year 2016-17 and 2015-16

There are no restructured advance, 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.

Financial Year 2014-15

There are no restructured advance as on March 31, 2015, 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.

34 Investments

	Particulars	**As at 31.03.2018 (In Rs Mn)**	**As at 31.03.2017 (In Rs Mn)**	**As at 31.03.2016 (In Rs Mn)**	**As at 31.03.2015 (In Rs Mn)**
(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)	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	-	-	-	-

35. Additional & Miscellaneous Disclosures:

Financial Year 2017-18, 2016-17, 2015-16, 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

(II) Disclosure of Penalties imposed by RBI and other regulators

43 (In Rs MN)

Particulars	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
	Nil	Nil	Nil	Nil	Nil

(III) 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

(IV) Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties

(V) Premium utilised for share issue expenses

44 (In Rs MN)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Premium utilised for share issue expenses	Nil	Nil	Nil	5.8

36 Ratings assigned by credit rating agencies and migration of ratings during the year:

		As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
	ICRA Limited				
(i)	Commercial Paper programme	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
(ii)	Bank loan facility	[ICRA]AA/Stable	[ICRA]AA/Stable	[ICRA]AA	[ICRA]AA-(stable)
(iii)	Non-Convertible Debentures	[ICRA]AA/Stable	[ICRA]AA/Stable	[ICRA]AA	[ICRA]AA-(stable)
	CRISIL Limited				
(i)	Commercial Paper programme	CRISIL A1+	CRISIL A1+	CRISIL A1+	-
(ii)	Bank loan facility	CRISIL AA/stable	CRISIL AA/stable	CRISIL AA/stable	-
(iii)	Non-Convertible Debentures	CRISIL AA/stable	CRISIL AA/stable	CRISIL AA/stable	-
	India Rating				
(i)	Commercial Paper programme	IND A1+	IND A1+	IND A1+	-
(ii)	Bank loan facility	IND AA/Stable	IND AA/Stable	IND AA/Stable	-
(iii)	Non-Convertible Debentures	IND AA/Stable	IND AA/Stable	IND AA/Stable	-

37 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

(In Rs MN)

Particulars	For the year 31.03.2018	For the year 31.03.2017	For the year 31.03.2016	For the year 31.03.2015	For the year 31.03.2014
Provisions for depreciation on Investment	-	-	-	-	
Provision towards NPA	75.8	-	-	-	
Provision made towards Income tax	1,792.2	1,523.6	1,081.7	246.7	
Other Provision and Contingencies (with details)	-	-	-	-	
Provision for Standard Assets	92.1	76.0	76.7	43.9	

38 Concentration of Deposits, Advances and Exposures and NPAs:

Concentration of Deposits (for deposit taking NBFCs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
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

Concentration of Advances

Particulars	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
Total Advances to twenty largest borrowers – (In Rs MN)	28,427.5	26,593.6	23,146.8	15,961.0	909.1
Percentage of Advances to twenty largest borrowers (group wise) to total Advances of the NBFC	38.74%	47.00%	56.81%	86.53%	100%

Concentration of Exposures

Particulars	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
Total Exposure to twenty largest borrowers / customers – (In Rs MN)	28,447.9	26,680.2	23,247.3	15,980.1	916.5
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers	38.70%	47.03%	56.82%	86.52%	100%

Concentration of NPAs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Total exposure to top four NPA accounts	758.0	Nil	Nil	Nil

Sector-wise NPAs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Agriculture & allied activities	Nil	Nil	Nil	Nil
MSME	Nil	Nil	Nil	Nil
Corporate borrowers	758.0	Nil	Nil	Nil
Services	Nil	Nil	Nil	Nil
Unsecured personal loans	Nil	Nil	Nil	Nil
Auto loans	Nil	Nil	Nil	Nil
Other personal loans	Nil	Nil	Nil	Nil
Other loans	Nil	Nil	Nil	Nil

39 Movement of NPAs:

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Net NPAs to Net Advances (%)				
Movement of NPAs (Gross)				
(a) Opening balance	-	-	-	-
(b) Additions during the year	758.0	-	-	-
(c) Reductions during the year	-	-	-	-
(d) Closing balance	**758.0**	-	-	-
Movement of Net NPAs				
(a) Opening balance	-	-	-	-
(b) Additions during the year	682.2	-	-	-
(c) Reductions during the year	-	-	-	-
(d) Closing balance	**682.2**	-	-	-
Movement of provisions for NPAs (excluding provisions on standard assets)				
(a) Opening balance	-	-	-	-
(b) Provisions made during the year	75.8	-	-	-
(c) Write-off / write-back of excess provisions	-	-	-	-
(d) Closing balance	**75.8**	-	-	-

40 Disclosures of Complaints

Complaints

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
No. of complaints pending at the beginning of the year	-	-	-	-
No. of complaints received during the year	-	-	-	-
No. of complaints redressed during the year	-	-	-	-
No. of complaints pending at the end of the year	-	-	-	-

41 Financial Year 2017-18, 2016-17, 2015-16

Disclosure in respect of derivatives, securitisation transactions, consolidated financial statements, 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.

42 Employee Stock Option Scheme:

Financial Year 2017-18

JM Financial Limited granted the Stock Options to the eligible employees and/or directors (the Employees) of JM Financial Limited and its subsidiaries. Out of the total number of Options granted by JM Financial Limited, the following Stock Options pertain to the employees of the Company.

May 06, 2013 339,099 Stock Options
April 01, 2014 518,394 Stock Options

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 (In Rupees)
6th May, 2014	Series - VI	1,13,033	Vested	Seven years from the date of Grant	1
6th May, 2015	Series - VI	1,13,033	Vested	Seven years from the date of Grant	1
6th May, 2016	Series - VI	1,13,033	Vested	Seven years from the date of Grant	1
1st April, 2015	Series - VII	1,69,332	Vested	Seven years from the date of Grant	1
1st April, 2016	Series - VII	1,74,531	Vested	Seven years from the date of Grant	1
1st April, 2017	Series - VII	1,74,531	Vested	Seven years from the date of Grant	1

The current status of the stock options granted to the Employees is as under:

(In MN)

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	0.2	0.5
Granted during the year	-	-
Transfer in during the year	-	-
Transfer out during the year	-	#
Lapsed/ forfeited during the year	-	-
Exercised during the year	0.2	0.3
Outstanding at the end of the year	-	0.2
Exercisable at the end of the year	-	#

# Denotes amount below Rs.50,000/-

The charge on account of the above scheme is included in employee benefit expense aggregating Rs. Nil (Previous year Rs.4.0 MN).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

JM Financial Limited granted the Stock Options to the eligible employees and/or directors (the Employees) of JM Financial Limited and its subsidiaries. Out of the total number of Options granted by JM Financial Limited, the following Stock Options pertain to the employees of the Company.

April 16, 2012 333,333 Stock Options
May 06, 2013 339,099 Stock Options

April 01, 2014 518,394 Stock Options

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 (In Rupees)
16th April, 2013	Series – V	1,11,111	Vested	Seven years from the date of Grant	1
16th April, 2014	Series - V	1,11,111	Vested	Seven years from the date of Grant	1
16th April, 2015	Series - V	1,11,111	Vested	Seven years from the date of Grant	1
6th May, 2014	Series - VI	1,13,033	Vested	Seven years from the date of Grant	1
6th May, 2015	Series - VI	1,13,033	Vested	Seven years from the date of Grant	1
6th May, 2016	Series - VI	1,13,033	Vested	Seven years from the date of Grant	1
1st April, 2015	Series - VII	1,69,332	Vested	Seven years from the date of Grant	1
1st April, 2016	Series - VII	1,74,531	Vested	Seven years from the date of Grant	1
1st April, 2017	Series - VII	1,74,531	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:

(In MN)

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	0.5	0.8
Granted during the year	-	-
Transfer in during the year	-	#
Transfer out during the year	#	-
Lapsed/ forfeited during the year	-	-
Exercised during the year	0.3	0.4
Outstanding at the end of the year	0.2	0.5
Exercisable at the end of the year	#	#

# Denotes amount below Rs.50,000/-

The charge on account of the above scheme is included in employee benefit expense aggregating Rs. 4.0 MN (Previous year Rs.6.1 MN). 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

JM Financial Limited granted the Stock Options to the eligible employees and/or directors (the Employees) of JM Financial Limited and its subsidiaries. Out of the total number of Options granted by JM Financial Limited, the following Stock Options pertain to the employees of the Company.

April 16, 2012 333,333 Stock Options
May 06, 2013 339,099 Stock Options
April 01, 2014 518,394 Stock Options

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

					(In Rupees)
16th April, 2013	Series – V	1,11,111	Vested	Seven years from the date of Grant	1
16th April, 2014	Series - V	1,11,111	Vested	Seven years from the date of Grant	1
16th April, 2015	Series - V	1,11,111	Vested	Seven years from the date of Grant	1
6th May, 2014	Series - VI	1,13,033	Vested	Seven years from the date of Grant	1
6th May, 2015	Series - VI	1,13,033	Vested	Seven years from the date of Grant	1
6th May, 2016	Series - VI	1,13,033	To be vested	Seven years from the date of Grant	1
1st April, 2015	Series - VII	1,69,332	Vested	Seven years from the date of Grant	1
1st April, 2016	Series - VII	1,74,531	To be vested	Seven years from the date of Grant	1
1st April, 2017	Series - VII	1,74,531	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:

(In MN)

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	0.8	-
Granted during the year	-	-
Transfer in during the year	#	1.2
Lapsed/ forfeited during the year	-	-
Exercised during the year	0.4	0.3
Outstanding at the end of the year	0.5	0.8
Exercisable at the end of the year	#	-

# Denotes amount below Rs.50,000/-

The charge on account of the above scheme is included in employee benefit expense aggregating Rs. 6.1 MN (Previous year Rs.2.5 MN). 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 2014-15

JM Financial Limited granted the Stock Options to the eligible employees and/or directors (the Employees) of JM Financial Limited and its subsidiaries. Out of the total number of Options granted by JM Financial Limited, the following Stock Options pertain to the employees of the Company.

April 16, 2012 333,333 Stock Options
May 06, 2013 339,099 Stock Options
April 01, 2014 507,996 Stock Options

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)
16th April, 2013	Series - V	1,11,111	Vested	Seven years from the date of Grant	1
16th April, 2014	Series - V	1,11,111	Vested	Seven years from the date of Grant	1
16th April, 2015	Series - V	1,11,111	To be vested	Seven years from the	1

				date of Grant	
6th May, 2014	Series - VI	1,13,033	Vested	Seven years from the date of Grant	1
6th May, 2015	Series - VI	1,13,033	To be vested	Seven years from the date of Grant	1
6th May, 2016	Series - VI	1,13,033	To be vested	Seven years from the date of Grant	1
1st April, 2015	Series - VII	1,69,332	To be vested	Seven years from the date of Grant	1
1st April, 2016	Series - VII	1,69,332	To be vested	Seven years from the date of Grant	1
1st April, 2017	Series - VII	1,69,332	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:

(In MN)

Particulars	**Number of outstanding options**	
	Current year	**Previous year**
Outstanding at the beginning of the year	-	**-**
Granted during the year	-	**-**
Transfer in during the year	1.2	**-**
Lapsed/ forfeited during the year	-	-
Exercised during the year	0.3	-
Outstanding at the end of the year	0.8	-
Exercisable at the end of the year	**-**	-

The charge on account of the above scheme is included in employee benefit expense aggregating Rs. 2.5 MN (Previous year Nil). Since the options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

43 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:

Financial Year 2017-18

Loans and advances in the nature of loans given to subsidiaries and associates:

45 **(In Rs MN)**

Name of the company	**Relationship**	**Maximum Balance**	**Closing Balance**
JM Financial Products Limited	Fellow Subsidiary	-	-
		(750.0)	(-)
JM Financial Commtrade Limited	Fellow Subsidiary	420.0	-
		(-)	(-)
CR Retail Malls (India) Limited	Fellow Subsidiary	250.0	-
		(-)	(-)

Loans and advances shown above are interest bearing and are repayable on demand.
(Figures in brackets indicates previous year figures)

Financial Year 2016-17

Loans and advances in the nature of loans given to subsidiaries and associates:

(In Rs MN)

Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial Products Limited	Fellow Subsidiary	750.0	-
		(-)	(-)

Loans and advances shown above are interest bearing and are repayable on demand.
(Figures in brackets indicates previous year figures)

Financial Year 2015-16

Loans and advances in the nature of loans given to subsidiaries and associates:

(In Rs. MN)

Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial Products Limited	Fellow Subsidiary	-	-
		(1,300.0)	(-)

Loans and advances shown above are interest bearing and are repayable on demand.
(Figures in brackets indicates previous year figures)

Financial Year 2014-15

Loans and advances in the nature of loans given to subsidiaries and associates:

(In Rs. MN)

Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial products Limited	Fellow Subsidiary	1,300.0	-
		(-)	(-)

Loans and advances shown above are interest bearing and are repayable on demand.
(Figures in brackets indicates previous year figures)

44 Expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)

Financial Year 2017-18

(a) Gross amount required to be spent by the company during the year – Rs 53.9 MN (Previous year Rs. 25.4 MN)

(b) Amount spent and paid during the year by way of donation to charitable trusts – Rs 54.1 MN (Previous year Rs.25.5 MN) for purposes other than Construction/acquisition of any assets.

Financial Year 2016-17

(a) Gross amount required to be spent by the company during the year – Rs 25.4 MN (Previous year Rs. 4.8 MN)

(b) Amount spent and paid during the year by way of donation to charitable trusts – Rs 25.5 MN (Previous year Rs.4.8 MN)

Financial Year 2015-16

(a) Gross amount required to be spent by the company during the year – Rs 4.8 MN (Previous year Rs. Nil)

(b) Amount spent and paid during the year by way of donation to charitable trusts – Rs 4.8 MN (Previous year Rs. Nil)

45 Financial Year 2017-18, 2016-17, 2015-16, 2014-15

The main business of the Company is in India to provide loans. All other activities of the Company revolve around the main business and accordingly there are no separate reportable segments, as per the Accounting Standard on 'Segment reporting' (AS 17) prescribed under section 133 of the Companies Act, 2013.

46 Unhedged Foreign Currency Exposure

(In Rs MN)

Sr No	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
1	Foreign Currency Exposures (FCE)	Nil	Nil	Nil
2	Total credit exposures (sanctioned) from banking system (in foreign currency)	Nil	Nil	Nil

47 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

Financial Year 2016-17

(In Rs. MN)

Particulars	SBNs	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	-	#	#

# Denotes amount below Rs.50,000/-

48 Financial Year 2017-18, 2016-17, 2015-16, 2014-15

Figures of previous year have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

49 Financial Year 2013-14

Claims against the Company not acknowledged is Rs.Nil towards additional Municipal Taxes. (Financial year 2012-13 Rs.3.3 MN)

50 Financial Year 2013-14

During the year, the Company changed the method of providing depreciation on fixed assets from written down value method to straight line method. As a result, short depreciation till 31.03.2013 (Net) has been provided and adjusted with current year’s depreciation in the Profit & Loss account by Rs.0.3 MN

51 Financial Year 2013-14

The Company has not received any intimation from “supplier” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any relating to amount unpaid as at the year end together with interest paid / payable as required under the said act have not been given.

52 The Reformatted Consolidated Financial Information have been extracted by management from the audited Financial Statements of the Company for the years ended 31 March 2018, 31 March 2017, 31 March 2016, and 31 March 2015 which were approved by Board of Directors of the Company and which have been audited by Deloitte Haskins & Sells LLP, Chartered Accountants and from the audited Financial Statements of the Company for the year ended 31 March 2014 which was approved by Board of Directors of the Company and which have been audited by Arun Arora & Co, Chartered Accountants. They respective auditors have issued an audit opinion dated 30 April, 2018, 27 April, 2017, 12 May, 2016, 19 May, 2015 and 23 April, 2014 for the financial year ended 31 March 2018, 31March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 respectively to the Members of the Company. The Reformatted Summary Financial Statements 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 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") in connection with the proposed public issue of Secured and Unsecured Redeemable Non-Convertible Debentures ("NCDs") of the Company (the "Issue")

REFORMATTED CASH FLOW STATEMENT

	Particulars	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		As at 31.03.2018 (In Rs MN)	As at 31.03.2017 (In Rs MN)	As at 31.03.2016 (In Rs MN)	As at 31.03.2015 (In Rs MN)	As at 31.03.2014 (In Rs MN)
A	**Cash flow from operating activities**					
	Profit before tax	5,040.4	4,247.8	3,017.2	702.2	26.9
	Adjustment for:					
	Depreciation and amortisation expenses	2.3	2.1	0.9	0.2	0.4
	Profit on sale of investments (net)	(19.6)	(12.5)	(0.6)	-	(0.7)
	Provision for gratuity	2.9	0.9	0.5	0.6	-
	Provision for compensated absences	1.5	0.4	0.5	2.3	-
	Provision for standard and non-performing assets	167.9	76.0	76.7	43.9	2.3
	Interest on income tax refund	-	-	(0.6)	-	#
	Interest on fixed deposits	-	(1.1)	(1.1)	(1.9)	(13.3)
	Interest expenses - others	4.0	0.1	0.1	#	-
	Profit on sale of assets	-	-	-	(57.4)	-
	Dividend income	-	(1.5)	(4.6)	(36.6)	(4.1)
	Operating profit before working capital changes	**5,199.4**	**4,312.2**	**3,089.0**	**653.3**	**11.5**
	Adjustment for:					
	Increase in long-term loans and advances and other current assets	(16,705.6)	(15,783.5)	(22,479.4)	(17,565.5)	(920.3)
	Increase in trade payables and other liabilities	322.0	325.7	761.1	95.6	6.6
	Decrease in Provisions	-	(0.6)	0.3	1.8	-
	Cash (used in) operations	**(11,184.2)**	**(11,146.2)**	**(18,629.0)**	**(16,814.8)**	**(902.2)**
	Direct taxes paid	(1,773.7)	(1,555.8)	(1,067.9)	(239.9)	(8.0)
	Net cash (used in) operating activities	**(12,957.9)**	**(12,702.0)**	**(19,696.9)**	**(17,054.7)**	**(910.2)**
B	**Cash flow from investing activities**					
	Purchase of current investments – Others	(74,540.4)	(45,055.0)	(16,772.8)	(16,733.3)	(1,345.3)
	Sale of current investments – Others	74,560.0	45,067.5	16,773.4	16,733.3	1,346.0
	Sale of non-current investments – Others	-	-	-	-	25.0
	Purchase of fixed assets	(0.6)	(7.4)	(2.7)	(1.4)	-
	Sale of fixed assets	-	-	-	58.4	-
	Increase in other bank	-	-	2.5	(2.5)	-

	balances					
	Interest received on Bank Deposits	-	1.1	0.7	1.9	13.3
	Dividend Income	-	1.5	4.6	36.6	4.1
	Net cash generated from investment	**19.0**	**7.7**	**5.7**	**93.0**	**43.1**

	Particulars	**For the year**	**For the year ended**	**For the year ended**	**For the year ended**	**For the year ended**
		As at 31.03.2018 (In Rs MN)	**As at 31.03.2017 (In Rs MN)**	**As at 31.03.2016 (In Rs MN)**	**As at 31.03.2015 (In Rs MN)**	**As at 31.03.2014 (In Rs MN)**
C	**Cash flow from financing**					
	Proceeds from issue of share capital -	-	-	-	8,841.8	-
	Share issue	-	-	-	(8.8)	-
	Interest paid	(0.1)	(0.1)	(0.1)	#	-
	Proceeds from long- term	22,349.8	14,325.0	20,359.1	1,150.0	-
	Repayment of long-term borrowings	(8,122.9)	(2,976.9)	-	-	-
	Proceeds from short- term	22,015.7	82,299.2	53,109.0	11,990.1	1,575.0
	Repayment of short- term	(22,137.2)	(81,954.5)	(52,787.5)	(5,006.0)	(700.0)
	Net cash generated from financing activities	**14,105.3**	**11,692.7**	**20,680.5**	**16,967.1**	**875.0**
	Net increase / (Decrease) in Cash and cash equivalents	1,166.4	(1,001.6)	989.3	5.4	7.9
	Cash and cash equivalents at the beginning of the	17.0	1,018.6	29.3	23.9	16.0
	Cash and cash equivalents at the end of the year	**1,183.4**	**17.0**	**1,018.6**	**29.3**	**23.9**

# Denotes amount below Rs.50,000/-

Notes

1. The cash flow statement has been prepared under the 'Indirect Method' set out in AS 3 - "Cash Flow Statement" notified in Companies (Accounting standards) Rules, 2006 (as amended).

2. Previous year's figures have been regrouped and rearranged wherever necessary

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, 1956, /Companies Act, 2013, as amended, 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 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, 1956, and the relevant provisions of the Companies Act, 2013, as amended, 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. Vikram Pandit — sd
Non-Executive Chairman
(Nominee Director)

Mr. Hariharan Aiyar — sd
Non-Executive Vice Chairman
(Nominee Director)

Mr. V P Shetty — sd
Non-Executive Director
(Nominee Director)

Ms. Dipti Neelakantan — sd
Non-Executive Director
(Nominee Director)

Mr. Darius E Udwadia — sd
Independent Director

Dr. Anup Shah — sd
Independent Director

Date: May 04, 2018

Place: Mumbai

ANNEXURE A & B

ICRA

ICRA Limited

Ref:2018-19/MUM/0115
April 27, 2018

Mr. Gagan Kothari
Chief Financial Officer
JM Financial Credit Solutions Limited
5B, 5th Floor, Cnergy,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai – 400 025

Dear Sir,

Re: ICRA Credit Rating for the Rs. 2,000 crore Non-Convertible Debenture (NCD) Programme* of JM Financial Credit Solutions Limited

Please refer to the Rating Agreement dated April 18, 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 this rating indicate 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 **May 04, 2018** 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. 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.

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

PRATEEK MITTAL
Analyst
prateek.mittal@icraindia.com

**public issue of NCDs*

ICRA

Acknowledgement
(To be signed and returned to ICRA Limited)

I, _____, _____ on behalf of the JM Financial Credit Solutions Limited
<Name> *<Designation>*
hereby accept and acknowledge the above assigned credit rating.

For JM Financial Credit Solutions Limited

_____
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, Mumbai - 400025*

ICRA

Encl:

'No Default Statement on the Company Letter Head'

To
<CRA Name and Address>

Dear Sir/ Madam,

1. We hereby Confirm that as on date there are no Over dues or default on our debt obligations
2. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of our debt obligations.
3. We also confirm that there has not been any instance of devolvement of Letter of Credit in the month ended <Month and Year name>.
4. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of debt obligations guaranteed by us.
5. We also confirm that there has been no overdraw of the drawing power sanctioned by the bank for a period of more than 30 consecutive days in case of bank facilities which do not have scheduled maturity/repayment dates.
6. Details of delay/ default/ rescheduling of interest or principal as on date/ in the month ended<Month and Year name> , in any of the above case (if any):

Name of the Instrument	ISIN	Amount to be paid	Due Date of Payment	Actual Date of Payment	Remarks

Thanking You,

Yours faithfully,

<Authorized Signatory of Issuer>

JM Financial Credit Solutions Limited

April 30, 2018

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debenture programme#	-	2,000.00	[ICRA]AA (stable); Assigned
Long term bank lines	3,500.00	3,500.00	[ICRA]AA (stable); Outstanding
Long term market linked debenture programme (Principal Protected)	300.00	300.00	PP-MLD[ICRA]AA (stable); Outstanding
Commercial Paper programme	2,000.00	2,000.00	[ICRA]A1+; Outstanding
Non-convertible debenture programme	3,000.00	3,000.00	[ICRA]AA (stable); Outstanding
Total	**8,800.00**	**10,800.00**	

*Instrument details are provided in Annexure-1
#Public issue of non-convertible debentures

Rating action

ICRA has assigned the long-term rating of [ICRA]AA (pronounced ICRA double A) to the Rs. 2,000 crore Non-convertible debenture (NCD) programme of JM Financial Credit Solutions Limited (JMFCSL, or 'the company'). The outlook on the long-term rating is Stable.

ICRA also has rating outstanding of [ICRA]AA (pronounced ICRA double A) for the Rs. 3,500 crore long term bank lines and Rs. 3,000 crore NCD programme of the company). ICRA also has rating outstanding of PP-MLD[ICRA]AA (pronounced Principal Protected Market Linked Debenture ICRA double A) for the Rs. 300 crore long term market linked debenture programme and the short-term rating outstanding of [ICRA]A1+ (pronounced ICRA A one plus) on the Rs. 2,000 crore commercial paper programme of the company. Outlook on the long-term rating is Stable.

According to the terms of 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 rates. The rating assigned expresses ICRA's current opinion on the credit risk associated with the issuer concerned. The rating does not address the risks associated with variability in returns resulting from adverse movements in the variable(s) concerned.

Rationale

The rating factors in the company's strong parentage being a part of the JM Financial Group which is a diversified financial service provider having a demonstrated track record, strong franchise and established market position in the industry. The rating also factors the successful diversification of the group into lending and stressed asset management businesses as demonstrated by the scaling up of operations in the new verticals and increase in share in revenues of these new verticals in the past three years. While assigning the ratings, ICRA has taken note of the close linkages among the Group entities given the common promoters and senior management team, shared brand name, and strong financial and operational synergies. Furthermore, ICRA believes financial, managerial and operational support from the group to continue to be available to all the key group companies.

While assigning the ratings 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 attributes to 78% of the total book as of December 31, 2017. There could be sharp deterioration in asset quality in case of any slippages. The group had reported a healthy asset quality till FY2017, witnessed deterioration in asset quality in the current fiscal owing to a lumpy slippage in the real estate segment. On aggregate basis, the gross non-performing assets to advances increased from 0.1% as of March 2017 to 0.6% as of December 2017, though it continues to remain 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. The ratings take into account the healthy performance of the JM Financial group at a consolidated level with robust profitability indicators, comfortable capitalisation and healthy financial flexibility given the comfortable gearing even while ramping up its lending operations. 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 from 12% as of March 2015 to 58% as of December 31, 2017. 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 of JM Financial group and ability of the group to raise funds from the market when required as demonstrated in the past. The rating also factors 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 JM Financial 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 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 JM Financial 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 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 fund based businesses, investment banking and related businesses and the asset management and related businesses attributing to 70%, 25% and 5% of total revenues respectively during 9M FY2018 as compared to 69%, 27% and 4% respectively during FY2017.

Ramp-up in lending business in the past three years - JM Financial group made a foray into non-capital market lending business in 2008, and since then, this business has emerged as a key contributor to the group's revenues. The group conducts its lending business through three NBFCs, namely, JM Financial Products Limited (JMFPL), JM Financial Credit Solutions Limited (JMFCSL) and JM Financial Capital Limited (JMFCL). While JMFCSL caters to the real estate segment, JMFPL (a subsidiary of JMFL) houses the non-real estate wholesale lending and capital market lending segments. Going

forward, capital market lending will primarily be housed under JMFCL. The real estate portfolio, which was the key driver for loan-book growth in FY2017, reported subdued growth during 9MFY2018 given the slowdown in the industry coupled with competitive pressures. The ramp-up in corporate and structured lending and capital market lending segments, however, more than offset the impact, with the overall loan book increasing from Rs. 11,343 crore as of March 31, 2017 to Rs. 14,359 crore as of December 31, 2017. As on December 31, 2017, real estate financing, corporate funding, and capital markets accounted for 58%, 20% and 22% of the loan book respectively. JM Financial group has recently made a foray into lending to the small and medium enterprises (SME) segment and has started its housing finance business through JM Financial Home Loans Limited, a step-down subsidiary of JM Financial Limited which received approval from National Housing Bank (NHB) for carrying out housing finance activities in November 2017.

Improved profitability of the group with an increase in revenues and stable expenses - During FY2017, the group's total income[1] increased by 38% to Rs. 2,211 crore from Rs. 1,602 crore in FY2016 driven by the expanding lending business and improved profitability in capital market related business. With the group adequately managing the operating expenses, the net profit (after minority interest) increased to Rs. 470 crore (return on equity, RoE[2] of ~16%) during FY2017 from Rs. 400 crore in FY2016 (RoE[2] of ~15%). During 9M FY2018, JMFL reported a consolidated net profit of Rs. 442 crore on a total income[1] of Rs. 2,147 crore.

Adequate capitalisation at the group level commensurate with the current scale of operations - The group's capitalisation remains adequate with capital adequacy ratio (CRAR) of ~24% as on March 31, 2017, as against ~29% as of March 31, 2016. As on December 31, 2017, CRAR stood at ~21.3%. ICRA takes note of the Rs. 650 crore capital raised by the company in February 2018.

Healthy financial flexibility given the comfortable leverage - The total borrowings at the consolidated level increased from Rs. 6,671 crore as on March 31, 2016 to Rs. 10,802 crore as on March 31, 2017. Accordingly, consolidated leverage increased to 2.5 times as on March 31, 2017 from 1.9 times as on March 31, 2016, though it continues to remain healthy. ICRA takes comfort from the relatively lower consolidated gearing when compared to its peers and the group's stated plans to maintain a leverage of under 4.0 times, at all points in time. As on December 31, 2017, borrowings stood at Rs. 14,347 crore with a gearing of ~3 times.

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 Q2FY2018, due to a lumpy slippage in real estate lending segment, the gross and net NPA increased to ~0.6% each as on September 30, 2017. As on December 31, 2017, gross and net NPA remained stable at 0.6% and 0.5% respectively. However, 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 further scale up in loan book would remain a key rating monitorable.

[1] Excluding profit on sale of assets/investments and net of sub-brokerage commission; group financials refer to the consolidated financials of JM Financial Limited, which is the holding company of the JM financial group

[2] Return on average net worth

Credit weaknesses

Given the increasing prominence of the credit business particularly wholesale lending, ability to maintain ALM remains critical - 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 from 12% as of March 2015 to 58% as of December 31, 2017. 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 of JM Financial group and ability of the group to raise funds from the market when required as demonstrated in the past.

High concentration risk on account of the high exposure to inherently riskier segments - As on December 31, 2017, real estate financing, corporate funding, and capital markets accounted for 58%, 20% and 22% of the loan book respectively. JM Financial group has recently made a foray into lending to the small and medium enterprises (SME) segment and has started its housing finance business; which on achievement of a sizeable scale should help in diversifying the loan mix. The group's exposure to risky segments viz. real estate lending and promoter funding account for sizable portion of the lending book. ICRA also takes note of the inherent riskiness of real estate lending and promoter funding segments. However, the group's conservative credit underwriting norms, coupled with comfortable asset quality indicators, provide comfort.

Analytical approach: While assigning the ratings, ICRA has taken a consolidated view of the JM Financial group given the high operational and managerial linkages between the group companies and the shared brand name.

Links to applicable criteria:
ICRA's Credit Rating Methodology for Non-Banking Finance Companies

About the company

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, the companies in the group have integrated operations. JM Financial Limited (JMFL) is the holding company for the operating companies in the JM Financial 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 JM Financial Limited) by way of a scheme of arrangement. The residual business of JMFISL (which includes investment banking business) and JM Financial Investment Managers Limited (wholly owned subsidiary of JMFL engaged in the business of private equity fund management) got merged into JMFL by way of a scheme of amalgamation.

During FY2017, JMFL reported a consolidated net profit of Rs. 470 crore on a total income[1] of Rs. 2,211 crore as compared with a consolidated net profit of Rs. 400 crore on a total income[1] of Rs. 1,602 crore during FY2016. During 9M FY2018, JMFL reported a consolidated net profit of Rs. 442 crore on a total income[1] of Rs. 2,147 crore.

Key Financial Indicators (Audited) of JMFL (consolidated)

	FY2016	FY2017
Net Interest Income	630	909
Non-Interest Income	425	490
Operating Income	1,054	1,399
Operating Expenses	392	473
Profit after tax (PAT[3])	400	470
Tangible Net worth	2,804	3,227
Minority Interest	669	1,109
Total Loan Book	7,215	11,343
Total Tangible Assets[4]	10,956	16,453
Return on average assets	5.4%	4.7%
PAT/ Average Net worth (ROE)	15.3%	15.6%
Gearing	1.9	2.5

Source: JM Financial Limited and ICRA Research; Amounts in Rs. crore

JM Financial Credit Solutions Limited

JM Financial Credit Solutions Limited (JMFCSL) is a non-deposit accepting systemically important non-banking finance company (NBFC ND-SI) registered with the Reserve Bank of India (RBI). The company was jointly promoted by the JM Financial Group, a leading diversified financial services provider in the country, and INH Mauritius 1 Fund (INH Global), a global fund led by Mr. Vikram Pandit, ex-CEO of Citigroup. JM Financial Limited (JMFL, rated [ICRA]AA (stable)), the holding company of the JM Financial Group, holds 50.01% equity stake in the company (as on December 31, 2017), while the balance is held by the INH Mauritius 1 Fund and other. The company is engaged in wholesale lending, largely catering to the real estate sector, and had a loan book of Rs. 6,475 crore as on December 31, 2017 (vis-a-vis Rs. 4,074 crore as on March 31, 2016). For the financial year ending March 31, 2017, JMFCSL reported a net profit of Rs. 277 crore on a total income of Rs. 788 crore as compared to a net profit of Rs. 198 crore on a total income of Rs. 519 crore for the financial year ending March 31, 2016. During 9M FY2018, JMFCSL reported a net profit of Rs. 235 crore on a total income base of Rs. 692 crore.

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] Excluding goodwill on consolidation

Rating history for last three years:

	Instrument	Type	Current Rating (FY2019)		Chronology of Rating History for the past 3 years							
			Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Apr-18	Feb-18	FY2018 Oct-17	Apr-17	FY2017 Jan-17	Apr-16	FY2016 Dec-15	Sep-15
1	Non-Convertible Debentures	Long Term	3,000.00	1,882.30	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)
2	Long Term Market Linked Debentures (Principal Protected)	Long Term	300.00	0.00	PP-MLD[ICRA]AA (stable)	PP-MLD[ICRA]AA (stable)	PP-MLD[ICRA]AA (stable)	-	-	-	-	-
3	Term Loan	Long Term	2,760	2,760	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)
4	Cash Credit	Long Term	185.00	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)
5	WCDL	Long Term	10.00	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)
6	Unallocated	Long Term	545.00	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)
7	Commercial paper programme	Short Term	2,000.00	NA	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
8	Non-Convertible Debenture	Long Term	2,000.00	0.00	[ICRA]AA (stable)	-	-	-	-	-	-	-

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
INE651J07028	Non-convertible debenture	28-Apr-15	10.29%	11-Jun-18	100	[ICRA]AA (stable)
INE651J07036	Non-convertible debenture	29-Apr-15	10.17%	11-Sep-17	75	[ICRA]AA (stable)
INE651J07044	Non-convertible debenture	06-May-15	10.17%	06-Sep-17	100	[ICRA]AA (stable)
INE651J07051	Non-convertible debenture	11-May-15	9.98%	16-Jun-17	75	[ICRA]AA (stable)
INE651J07101	Non-convertible debenture	09-Feb-16	9.70%	09-Aug-21	15	[ICRA]AA (stable)
INE651J07101	Non-convertible debenture	09-Feb-16	9.70%	09-Aug-21	5	[ICRA]AA (stable)
INE651J07119	Non-convertible debenture	26-Feb-16	9.70%	26-Aug-21	10	[ICRA]AA (stable)
INE651J07192	Non-convertible debenture	06-May-16	9.50%	06-May-21	5	[ICRA]AA (stable)
INE651J07200	Non-convertible debenture	24-May-16	9.50%	24-May-21	1	[ICRA]AA (stable)
INE651J07200	Non-convertible debenture	24-May-16	9.50%	24-May-21	1	[ICRA]AA (stable)
INE651J07200	Non-convertible debenture	24-May-16	9.50%	24-May-21	8	[ICRA]AA (stable)
INE651J07218	Non-convertible debenture	31-May-16	9.50%	31-May-21	10	[ICRA]AA (stable)
INE651J07291	Non-convertible debenture	30-Aug-16	9.70%	30-Aug-19	100	[ICRA]AA (stable)
INE651J07309	Non-convertible debenture	30-Aug-16	9.69%	30-Sep-19	100	[ICRA]AA (stable)
INE651J07317	Non-convertible debenture	06-Sep-16	0.00%	06-Aug-19	11	[ICRA]AA (stable)
INE651J07325	Non-convertible debenture	06-Sep-16	0.00%	27-Aug-19	5.7	[ICRA]AA (stable)
INE651J07333	Non-convertible debenture	14-Oct-16	0.00%	12-Sep-19	6.5	[ICRA]AA (stable)
INE651J07341	Non-convertible debenture	14-Oct-16	0.00%	24-Sep-19	10.5	[ICRA]AA (stable)
INE651J07358	Non-convertible debenture	14-Oct-16	0.00%	08-Oct-19	5	[ICRA]AA (stable)
INE651J07366	Non-convertible debenture	14-Oct-16	0.00%	29-Oct-19	3	[ICRA]AA (stable)
INE651J07374	Non-convertible debenture	23-Jan-17	0.00%	07-Apr-20	4.6	[ICRA]AA (stable)
INE651J07382	Non-convertible debenture	27-Feb-17	0.00%	01-Jul-20	5.7	[ICRA]AA (stable)
INE651J07390	Non-convertible debenture	06-Mar-17	0.00%	04-May-20	3.7	[ICRA]AA (stable)
INE651J07432	Non-convertible debenture	23-Mar-17	0.00%	06-May-20	2	[ICRA]AA (stable)
INE651J07424	Non-convertible debenture	23-Mar-17	0.00%	23-Mar-20	50	[ICRA]AA (stable)
INE651J07416	Non-convertible debenture	23-Mar-17	9.00%	23-Mar-22	10	[ICRA]AA (stable)
INE651J07408	Non-convertible debenture	23-Mar-17	9.25%	23-Mar-20	50	[ICRA]AA (stable)
INE651J07440	Non-convertible debenture	29-Mar-17	9.20%	25-Mar-22	70	[ICRA]AA (stable)
INE651J07465	Non-convertible debenture	15-Jun-17	9.05%	15-Jun-21	175	[ICRA]AA (stable)
INE651J07473	Non-convertible debenture	22-Jun-17	9.05%	22-Jun-20	30	[ICRA]AA (stable)
INE651J07481	Non-convertible debenture	12-Sep-17	8.75%	12-Sep-19	75	[ICRA]AA (stable)
INE651J07481	Non-convertible debenture	12-Sep-17	8.75%	12-Sep-19	50	[ICRA]AA (stable)
INE651J07499	Non-convertible debenture	12-Sep-17	0.00%	15-Sep-20	25	[ICRA]AA (stable)
INE651J07507	Non-convertible debenture	28-Dec-17	9.15%	28-Dec-20	50	[ICRA]AA (stable)
INE651J07507	Non-convertible debenture	22-Jan-18	9.15%	28-Dec-20	17.9	[ICRA]AA (stable)
INE651J07531	Non-convertible debenture	12-Mar-18	0.00%	04-May-21	13.5	[ICRA]AA (stable)
INE651J07515	Non-convertible debenture	12-Mar-18	0.00%	10-Sep-21	50	[ICRA]AA (stable)
INE651J07523	Non-convertible debenture	12-Mar-18	0.00%	10-Dec-21	20	[ICRA]AA (stable)

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE651J07549	Non-convertible debenture	22-Mar-18	9.30%	06-Mar-20	100	[ICRA]AA (stable)
INE651J07549	Non-convertible debenture	22-Mar-18	9.30%	06-Mar-20	25	[ICRA]AA (stable)
INE651J07556	Non-convertible debenture	22-Mar-18	0.00%	15-Jun-21	100	[ICRA]AA (stable)
INE651J07564	Non-convertible debenture	22-Mar-18	9.31%	23-Mar-20	200	[ICRA]AA (stable)
INE651J07572	Non-convertible debenture	23-Mar-18	9.36%	23-Mar-21	40	[ICRA]AA (stable)
INE651J07556	Non-convertible debenture	23-Mar-18	0.00%	15-Jun-21	14.9	[ICRA]AA (stable)
INE651J07556	Non-convertible debenture	26-Mar-18	0.00%	15-Jun-21	5.1	[ICRA]AA (stable)
INE651J07572	Non-convertible debenture	26-Mar-18	9.36%	23-Mar-21	2.8	[ICRA]AA (stable)
INE651J07531	Non-convertible debenture	28-Mar-18	0.00%	04-May-21	45.4	[ICRA]AA (stable)
NA	Non-convertible debenture*	-	-	-	1,117.70	[ICRA]AA (stable)
NA	Long term market linked debentures (Principal Protected)*	-	-	-	300	PP-MLD[ICRA]AA (stable)
NA	Term Loans	2015-18	-	2018-22	2,760.00	[ICRA]AA (stable)
NA	Cash Credit	2015-16	-	-	185.00	[ICRA]AA (stable)
NA	WCDL	2016-17	-	-	10.00	[ICRA]AA (stable)
NA	Unallocated	-	-	-	545.00	[ICRA]AA (stable)
NA	Commercial Paper programme	-	-	7-365 days	2,000.00	[ICRA]A1+
NA	Non-convertible debenture programme*	-	-	-	2,000.00	[ICRA]AA (stable)

*Proposed

Source: JM Financial Credit Solutions Limited

Corrigendum

Rationale dated April 30, 2018 has been revised with changes as below:

- Status of capital infusion updated under credit strengths

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India Ratings & Research

Fitch Group

Mr. Shashwat Belapurkar
Chief Executive Officer
JM Financial Credit Solutions Limited,
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025

April 27, 2018

Dear Sir,

Re: Rating of JM Financial Credit Solutions Limited's (JMFCS) debt instrument

India Ratings (see definition below) assigns the following rating of JMFCS:-

Additional INR20billion Public Issuance of Non-convertible debentures (NCD): 'IND AA/Stable'

Total rated NCD limit, stands at INR50billion of which INR20.44billion are outstanding.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the

website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

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We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at +91-022-4000-1700.

Sincerely,
India Ratings

Sandeep Singh
Senior Director

Prakash Agarwal
Director

India Ratings & Research
A Fitch Group Company

India Ratings Assigns JM Financial Credit Solutions' Additional NCDs 'IND AA'/Stable

27
APR 2018

By Jinay Gala

India Ratings and Research (Ind-Ra) has rated JM Financial Credit Solutions Limited's (JMFCS) additional non-convertible debentures (NCDs) as follows:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
NCDs*	-	-	-	INR20	IND AA/Stable	Assigned

* Details are provided in annexure.

JMFCS is a venture between JM Financial Limited (JMFL; 50.01% stake) and INH Mauritius & others (49.99%). INH Mauritius is a fund, led by Mr Vikram Pandit and associates and backed by large global investors. The company will maintain the brand name of JM Financial, and JMFL plans to maintain the majority shareholding and management control in JMFCS.

KEY RATING DRIVERS

Subsidiary Importance Increasing: Ind-Ra has taken a consolidated view of JMFL to arrive at the rating, factoring in the credit strength of the lending subsidiaries and expectations of timely support from JM Financial group. The rating also factors in an increasing importance of the lending subsidiaries, based on their share in equity capital allocation, by JMFL and contribution towards group-level profitability. JM Financial group, a diversified financial services firm, has a conservative leverage policy and maintains liquidity in the form of unencumbered liquid assets on its balance sheet, in addition to unutilised cash credit lines. This can support the refinancing needs of JMFCS in the event of a short period liquidity squeeze in the system. Furthermore, a recent capital-raising activity would help JMFCS in improving balance sheet liquidity and support the growth of the lending business.

Apart from the wholesale lending business, which is the largest segment of the group in terms of equity and profits, the group has a large established franchise in the non-lending business (23% of profit before tax in 9MFY18), enabling a steady source of fee income. JMFCS will incrementally drive the lending business of the group and is, thus, strategically important for the group. The lending business accounts for about 70% of group revenue and 77% of consolidated profit before tax (9MFY18) and is, thus, an important growth driver.

To read a detailed rating rationale, please click here.

RATING SENSITIVITIES

Positive: Improvement in JMFL's credit profile while maintaining the importance of the lending business, along with portfolio seasoning and less concentrated portfolio while maintaining strength in capital market-related businesses, could result in a positive rating action.

Negative: Any weakness in JMFL's credit profile, which, among other factors, could result from dilution of the capital buffers or from inadequate liquidity buffers, could result in a negative rating action. JMFCS' sustained weak operating performance, leading to reduced importance of this business to JMFL, or JMFL's shareholding falling below the majority could result in a negative rating action.

COMPANY PROFILE

JMFCS is a systemically important non-banking finance company, offering mostly long-term wholesale funding in the real estate financing space. During FY15, JMFL and INH Mauritius jointly infused INR9.0 billion equity capital in JMFCS to start the joint venture.

FINANCIAL SUMMARY

Particulars	FY17	FY16
Total assets (INR billion)	56.9	42.06
Total equity (INR billion)	14.1	11.4
Net profit (INR billion)	2.77	1.98
Return on average assets (%)	5.6	6.5
Equity/assets (%)	24.8	27.0
Tier 1 capital (%)	24.5	26.8
Gross NPA (%)	NA	NA
Source: JMFSCL		

RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook		
	Rating Type	Rated Limits (billion)	Rating	9 March 2018	29 December 2016	28 July 2015
Bank loans	Long-term	INR35	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable
NCDs	Long-term	INR50	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable
Commercial paper	Short-term	INR20	IND A1+	IND A1+	IND A1+	IND A1+

ANNEXURE

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR billion)	Rating/Outlook
NCDs	INE651J07069	31 July 2015	10.26	31 July 2018	3	IND AA/Stable
NCDs	INE651J07093	5 February 2016	Zero Coupon	1 February 2019	0.03	IND AA/Stable
NCDs	INE651J07101	9 February 2016	9.70	9 August 2021	0.2	IND AA/Stable
NCDs	INE651J07119	26 February 2016	9.70	26 August 2021	0.1	IND AA/Stable
NCDs	INE651J07127	1 March 2016	Zero Coupon	3 April 2019	0.04	IND AA/Stable
NCDs	INE651J07135	16 March 2016	Zero Coupon	15 April 2019	0.1	IND AA/Stable
NCDs	INE651J07143	22 March 2016	Zero Coupon	22 April 2019	0.04	IND AA/Stable
NCDs	INE651J07168	30 March 2016	10.50	5 June 2019	0.5	IND AA/Stable
NCDs	INE651J07176	11 April 2016	Zero Coupon	22 April 2019	0.05	IND AA/Stable
NCDs	INE651J07184	29 April 2016	Zero Coupon	25 April 2019	0.08	IND AA/Stable
NCDs	INE651J07192	6 May 2016	9.50	6 May 2021	0.05	IND AA/Stable
NCDs	INE651J07200	24 May 2016	9.50	24 May 2021	0.1	IND AA/Stable
NCDs	INE651J07218	31 May 2016	9.50	31 May 2021	0.1	IND AA/Stable
NCDs	INE651J07226	16 June 2016	Zero Coupon	14 May 2019	0.06	IND AA/Stable
NCDs	INE651J07234	16 June 2016	Zero Coupon	28 May 2019	0.07	IND AA/Stable
NCDs	INE651J07242	16 June 2016	Zero Coupon	18 June 2019	0.05	IND AA/Stable
NCDs	INE651J07259	15 July 2016	9.73	13 June 2018	0.4	IND AA/Stable
NCDs	INE651J07267	15 July 2016	9.77	11 June 2019	0.1	IND AA/Stable
NCDs	INE651J07275	15 July 2016	9.78	15 July 2019	0.08	IND AA/Stable
NCDs	INE651J07283	15 July 2016	Zero Coupon	2 July 2019	0.03	IND AA/Stable
NCDs	INE651J07291	30 August 2016	9.70	30 August 2019	1	IND AA/Stable
NCDs	INE651J07309	30 August 2016	9.69	30 September 2019	1	IND AA/Stable
NCDs	INE651J07317	6 September 2016	Zero Coupon	6 August 2019	0.11	IND AA/Stable
NCDs	INE651J07325	6 September 2016	Zero Coupon	27 August 2019	0.06	IND AA/Stable
NCDs	INE651J07333	14 October 2016	Zero Coupon	12 September 2019	0.07	IND AA/Stable

NCDs	INE651J07341	14 October 2016	Zero Coupon	24 September 2019	0.11	IND AA/Stable
NCDs	INE651J07358	14 October 2016	Zero Coupon	8 October 2019	0.05	IND AA/Stable
NCDs	INE651J07366	14 October 2016	Zero Coupon	29 October 2019	0.03	IND AA/Stable
NCDs	INE651J07374	23 January 2017	Zero Coupon	7 April 2020	0.05	IND AA/Stable
NCDs	INE651J07382	27 February 2017	Zero Coupon	1 July 2020	0.06	IND AA/Stable
NCDs	INE651J07390	6 March 2017	Zero Coupon	4 May 2020	0.04	IND AA/Stable
NCDs	INE651J07432	23 March 2017	Zero Coupon	6 May 2020	0.02	IND AA/Stable
NCDs	INE651J07424	23 March 2017	Zero Coupon	23 March 2020	0.5	IND AA/Stable
NCDs	INE651J07416	23 March 2017	9.00	23 March 2022	0.1	IND AA/Stable
NCDs	INE651J07408	23 March 2017	9.25	23 March 2020	0.5	IND AA/Stable
NCDs	INE651J07440	29 March 2017	9.20	25 March 2022	0.7	IND AA/Stable
NCDs	INE651J07457	2 June 2017	Zero Coupon	5 June 2020	0.5	IND AA/Stable
NCDs	INE651J07465	15 June 2017	9.05	15 June 2021	1.75	IND AA/Stable
NCDs	INE651J07473	22 June 2017	9.05	22 June 2020	0.3	IND AA/Stable
NCDs	INE651J07481	12 September 2017	8.75	12 September 2019	1.25	IND AA/Stable
NCDs	INE651J07499	12 September 2017	Zero Coupon	15 September 2020	0.25	IND AA/Stable
NCDs	INE651J07507	28 December 2017	9.15	28 December 2020	0.5	IND AA/Stable
NCDs	INE651J07507	22 January 2018	9.15	28 December 2020	0.18	IND AA/Stable
NCDs	INE651J07531	12 March 2018	Zero Coupon	4 May 2021	0.14	IND AA/Stable
NCDs	INE651J07515	12 March 2018	Zero Coupon	10 September 2021	0.5	IND AA/Stable
NCDs	INE651J07523	12 March 2018	Zero Coupon	10 December 2021	0.2	IND AA/Stable
NCDs	INE651J07549	22 March 2018	9.30	6 March 2020	1	IND AA/Stable
NCDs	INE651J07549	22 March 2018	9.30	6 March 2020	0.25	IND AA/Stable
NCDs	INE651J07556	22 March 2018	Zero Coupon	15 June 2021	1	IND AA/Stable
NCDs	INE651J07564	22 March 2018	9.31	23 March 2020	2	IND AA/Stable
NCDs	INE651J07572	23 March 2018	9.36	23 March 2021	0.4	IND AA/Stable
NCDs	INE651J07556	23 March 2018	Zero Coupon	15 June 2021	0.15	IND AA/Stable
NCDs	INE651J07556	26 March 2018	Zero Coupon	15 June 2021	0.05	IND AA/Stable
NCDs	INE651J07572	26 March 2018	9.36	23 March 2021	0.03	IND AA/Stable
NCDs	INE651J07531	28 March 2018	Zero Coupon	4 May 2021	0.45	IND AA/Stable
	Total used limit				20.44	
	Unutilised limit				29.56	
	Total limit				50	

COMPLEXITY LEVEL OF INSTRUMENTS

For details on complexity levels of the instruments please visit https://www.indiaratings.co.in/complexity-indicators.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies, structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

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Applicable Criteria

Financial Institutions Rating Criteria
Non-Bank Finance Companies Criteria

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ANNEXURE C

IDBI Trusteeship Services Ltd
CIN : U65991MH2001GOI131154

IDBI trustee

Ref No.: 1054/ITSL/OPR/17-18/DEB/54
Date: April 30, 2018

JM Financial Credit Solutions Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025

Dear Sirs,

Re: Proposed Public Issue by JM Financial Credit Solutions 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. 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 / Mr. Amit Mantri
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.

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

प्ररूप ख
FORM-B

डिबेंचर न्यासी

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 तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from **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 Sanparote
MEDHASONPAROTE
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

ANNEXURE D

JM FINANCIAL

Annexure 1

Statement of capitalisation as at March 31, 2018

Rupees in Million

Sr. No.	Particulars	Pre-issue As at March 31, 2018	Post-issue
I	**Borrowings:**		
	Long Term borrowings (Refer Note 1)	47,084.3	67,084.3
	Short Term borrowings (Refer Note 2)	8,403.7	8,403.7
	Total borrowings (A)	**55,488.0**	**75,488.0**
II	**Shareholders' fund**		
	Share capital	25.0	25.0
	Securities Premium Reserve	8,811.6	8,811.6
	General Reserve	1.7	1.7
	Statutory Reserve	1,710.9	1,710.9
	Surplus in Statement of Profit and Loss:	6,866.4	6,866.4
	Total shareholders' fund (B)	**17,415.6**	**17,415.6**
	Total Debt / Equity (A/B) (Refer note 3)	**3.19**	**4.33****

** The debt equity ratio post the Issue is indicative on account of the assumed inflow of Rs.20,000 millions from the proposed Issue in the secured debt category as on March 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.

Notes:

1. Long term borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long term borrowings.
2. Short term borrowings represents borrowings due within 12 months from the balance sheet date.
3. Total Debt / Equity has been computed as $\frac{\text{Total borrowings}}{\text{Total shareholders' funds}}$

Certified to be correct

For and on behalf of the Board of Directors of JM Financial Credit Solutions Limited

Director

Place: Mumbai
Date: May 3, 2018

ANNEXURE E

JM FINANCIAL

Statement of Accounting Ratios

Annexure 1

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 (including CCPS) at the beginning of the year	2,499,500	2,499,500	2,499,500	50,000	50,000
	Number of equity shares(including CCPS) at the end of the year	2,499,500	2,499,500	2,499,500	2,499,500	50,000
	Weighted average number of shares of Rs 10/- each	2,489,098	1,419,812	1,250,004	539,864	50,000
	Dilutive effect on weighted average number of shares	-	34,204	1,249,496	451,873	-
	Net Profit after tax available for equity shares (Rs in Mn)	3,282.9	2,772.5	1,975.4	487.9	17.1
	Shareholders' Fund at the end of the year (Rs in Mn) *#	17,415.6	14,132.7	11,360.2	9,384.8	60.7
	Average Shareholders' Fund during the year [(Opening + Closing)/2] (Rs in Mn)	15,774.1	12,746.4	10,372.5	4,722.7	52.2
A	Basic Earning Per Share (EPS) Rs	1,318.93	1,952.70	1,580.33	903.90	342.29
B	Dilutive Earning Per Share (EPS) Rs	1,318.93	1,906.77	790.32	492.05	342.29
	Return on Shareholders' Fund (%)					
C	Considering Shareholders' Fund at the end of the year	18.9%	19.6%	17.4%	5.2%	28.2%
D	Considering Average Shareholders' Fund during the year	20.8%	21.8%	19.0%	10.3%	32.8%
E	Net Asset Value Per Share Rs	6,968	5,654	4,545	3,755	1,214
	Borrowings (Rs in Mn)	55,488	41,382	29,690	9,009	875
F	Debt Equity Ratio	3.2	2.9	2.6	1.0	14.4

Notes :

A Basic Earning Per Share (EPS) Rs = Net Profit attibutable to equity shareholder / Weighted average number of equity shares outstanding during the year

B Dilutive Earning Per Share (EPS) Rs = Net Profit attibutable 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 at the end of 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 correct

For and on behalf of the Board of Directors of JM Financial Credit Solutions Limited

Director

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Place: Mumbai
Date: May 3, 2018

ANNEXURE F

JM FINANCIAL

Statement of Tax Shelter

Annexure A
Rupees in Million

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	5,040.4	4,247.8	3,017.2	702.2	26.9
Statutory Tax Rate	34.61%	34.61%	34.61%	33.99%	32.45%
Tax as above rate	1,744.4	1,470.1	1,044.2	238.7	8.7
Adjustments for differences					
Difference between tax depreciation and book depreciation	0.9	(1.3)	(0.3)	(0.0)	0.4
Donations	30.1	15.3	7.4	-	0.1
Interest expenses - Self assessment tax	3.9	-	-	-	-
Increase of Authorised Share Capital	-	-	-	0.6	-
14 A Disallowance	-	-	-	-	4.2
Disallowance of Provision for Standard assets	92.1	76.0	76.7	43.9	2.3
Gratuity	2.9	0.9	0.5	0.6	-
Leave encashment	1.5	0.3	0.5	2.3	-
Deferred revenue expenditure	8.9	67.1	40.4	46.1	-
Rates and taxes	0.1	0.1	0.1	-	0.3
Interest expenses - Leased	0.1	0.1	0.1	0.0	-
Leased Vehicles	(0.6)	(0.7)	(0.7)	(0.1)	-
Allowable under section 35 D	(1.9)	(1.9)	(1.9)	(1.9)	-
Dividend income	-	(1.4)	(4.6)	(36.6)	(4.1)
Income taxable under the head capital gains	-	-	-	(57.4)	-
Total	**138.0**	**154.6**	**118.2**	**(2.5)**	**3.1**
Tax savings thereon	47.9	53.5	40.9	(0.7)	1.1
Capital gain tax				8.8	
Total taxation	**1,792.2**	**1,523.6**	**1,085.1**	**246.7**	**9.8**
Adjustments: Excess / Short Provision of Tax	-	-	(3.4)	-	-
Actual Provision for tax as per Statement of profit and loss	**1,792.2**	**1,523.6**	**1,081.7**	**246.7**	**9.8**

Certified to be correct

For JM Financial Credit Solutions Limited

Gagan Kothari

Gagan Kothari
Chief Financial Officer

Place: Mumbai
Date: May 3, 2018

JM Financial Credit Solutions Limited

ANNEXURE G

JM FINANCIAL

Annexure 1

Statement of Dividends

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Equity Share Capital (Rs in million)	25.0	24.7	12.5	12.5	0.5
Number of Shares	2,499,500	2,465,296	1,250,004	1,250,004	50,000
Face value of shares (Rs.)	10.0	10.0	10.0	10.0	10.0
Dividend (%)	-	-	-	-	-
Dividend per share (Rs.)	-	-	-	-	-

Certified to be correct

For and on behalf of the Board of Directors of JM Financial Credit Solutions Limited

Director

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Place: Mumbai
Date: May 03, 2018