

**JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED**

(Formerly known as JM Financial Asset Reconstruction Company Private Limited)

Registered Office: 7th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025**Tel:** +91 22 6630 3030; **Fax:** +91 22 6630 3223**Contact Person and Company Secretary:** Mr. Nikhil Bhandary**E-mail:** nikhil.bhandary@jmfl.com **Website:** www.jmfinancialarc.com**DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF UPTO 150 SECURED, RATED, LISTED, REDEEMABLE, PRINCIPAL PROTECTED MARKET LINKED NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs" OR "TRANCHE VIII NCDs") OF THE FACE VALUE OF ₹ 10,00,000/- (RUPEES TEN LAKH ONLY) EACH FOR CASH AGGREGATING UP TO ₹ 15,00,00,000 /- (RUPEES FIFTEEN CRORE ONLY) ("THE ISSUE" OR "THIS ISSUE")**

JM Financial Asset Reconstruction Company Limited (the Company), was incorporated as a private company limited by shares under the Companies Act, 1956 on September 19, 2007 in the State of Maharashtra with the registration number 11-174287. The Company has become a subsidiary company of JM Financial Limited w.e.f. September 30, 2016 and hence become a public company pursuant to the provisions of Section 2(71) of the Companies Act, 2013. The name of the Company was changed to JM Financial Asset Reconstruction Company Limited w.e.f. April 12, 2017. The Corporate Identity Number (CIN) of the Company is U67190MH2007PLC174287

GENERAL RISKS

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, the investors must rely on their own examination of the Company, this Disclosure Document and the Issue including the risks involved. The Issue has not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document. Prospective investors are advised to carefully read the risks associated with the Issue of Debentures. **Specific attention of investors is invited to statement of Risk Factors contained under Section II of this Disclosure Document.** These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or investor's decision to purchase the Debentures. As the present issue of NCDs are market linked, **additional risk factors** that are specific to issue of market linked debentures are also provided in this document.

CREDIT RATING

ICRA Limited has assigned a "PP-MLD [ICRA] AA- / stable" (pronounced "P P ICRA Double A Minus / stable") rating to the captioned Issue. As per ICRA's rating letter, instruments with this rating are considered to have high degree of safety regarding timely payment of financial obligations and such instruments carry very low credit risk. Investors may please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating agency has the right to suspend, withdraw or revise the rating/outlook assigned to the Issue at any time, on the basis of new information or unavailability of information or other circumstances which the rating agency believes may have an impact on the rating.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Disclosure Document contains all information as required under Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended, and the Reserve Bank of India Guidelines, that the information contained in this Disclosure Document is true and fair in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Disclosure Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Debentures are proposed to be listed on the wholesale debt market segment of BSE Ltd. ("BSE"). BSE has given its 'in-principle' approval to list the Debentures vide its letter dated June 29, 2017.

This Disclosure Document shall be read in conjunction with the Debenture Trust Deed(s) and other Transaction Document(s) and in case of any ambiguity or inconsistency or differences, the Debenture Trust Deed(s) shall prevail.

This Disclosure Document is dated June 29, 2017

REGISTRAR TO THE ISSUE
Karvy Computershare Private Limited
Karvy House, 46, Avenue 4,
Street no.1, Banjara Hills, Hyderabad – 500 034
Tel: +91 40 6716 2222
Fax : +91 40 23001153
E-mail varghese@karvy.com
Contact Person: Mr. P.A.Varghese

DEBENTURE TRUSTEE
Vistra ITCL (India) Limited
The IL&FS Financial Centre, Plot C-22, G Block,
Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
Tel: +91 22 2659 3042; Fax: +91 22 2653 3297
E-mail: yihang.chavan@vistra.com
Website: www.vistraitcl.com
Contact Person: Mr. Yihang Chavan

Note: This Disclosure Document is strictly for a private placement and is only an information brochure intended for private use. Nothing in this Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to offer to the public or any section thereof to subscribe for or otherwise acquire the Debentures in general under any law for the time being in force. This Disclosure Document should not be construed to be a prospectus or a statement in lieu of prospectus under the Act. This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Company and only such recipient(s) are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. Further, since the Issue is being made on a private placement basis, the provisions of Section 31 of the Companies Act, 2013 shall not be applicable and accordingly, a copy of this Disclosure Document along with the documents as specified under the head Material Contracts and Documents have not been filed with the Registrar of Companies or the Securities and Exchange Board of India or the Reserve Bank of India. Furthermore, a copy of this Disclosure Document has not been filed or submitted with the Securities and Exchange Board of India or the Reserve Bank of India for its review and/or approval.

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SECTION – I

NOTICE TO INVESTORS AND DISCLAIMERS

This Disclosure Document (the “**Disclosure Document**” or “**DD**”) **is neither a prospectus nor a statement in lieu of prospectus** under the Companies Act, 2013. This Disclosure Document has not been submitted to or approved by the Securities and Exchange Board of India (“SEBI”) and has been prepared by the Company in conformity with the extant SEBI Regulations. This Issue of NCDs which is to be listed on the WDM segment of the BSE Limited is being made strictly on a private placement basis. This DD does not constitute and shall not be deemed to constitute an offer or an invitation to the public to subscribe to the NCDs. Neither this DD nor any other information supplied in connection with the NCDs is intended to provide the basis of any credit or other evaluation and a recipient of this DD should not consider such receipt a recommendation to purchase any NCDs. Each potential investor contemplating the purchase of any NCDs should make its own independent investigation of the financial condition and affairs of the Company and its own appraisal of the creditworthiness of the Company as well as the structure of the Issue. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyze such investment and the suitability of an investment to the investor's particular circumstances. No person has been authorized to give any information or to make any representation not contained in or incorporated by reference in this DD or in any material made available by the Company to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Company.

This DD and the contents hereof are addressed only to the intended recipients who have been addressed directly and specifically through a communication by the Company. All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this DD are intended to be used only by those potential investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient or made public or its contents disclosed to a third person. No invitation is being made to any person other than the investor to whom this DD has been sent. Any application by a person to whom this DD has not been sent by the Company may be rejected without assigning any reason.

Invitations, offers and sales of NCDs shall only be made pursuant to this DD. You may not and are not authorized to (1) deliver this DD to any other person; or (2) reproduce this DD in any manner whatsoever. Any distribution or reproduction or copying of this DD in whole or in part or any public announcement or any announcement to third parties regarding the contents of this DD is unauthorised. Failure to comply with this instruction may result in a violation of applicable laws of India and/or other jurisdictions. This DD has been prepared by the Company for providing information in connection with the proposed Issue. The Company does not undertake to update this DD to reflect subsequent events after the date of this DD and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Company.

Neither the delivery of this DD nor the issue of any NCDs made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date thereof.

This Issue is a domestic issue restricted to India and no steps have been taken or will be taken to facilitate the Issue in any jurisdictions other than India. Hence, this DD does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the NCDs or the distribution of this DD in any jurisdiction where such action is required. This DD is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where distribution or use of such information would be contrary to law or regulation. Persons into whose possession this DD comes are required to inform themselves about and to observe any such restrictions. This DD is made available to potential investors

in the Issue on the strict understanding that it is confidential and may not be transmitted to others, whether in electronic form or otherwise.

It is the responsibility of allottee(s) of these NCDs to also ensure that they/it will transfer these Debentures in strict accordance with this DD and other applicable laws.

DISCLAIMER CLAUSE OF SEBI

As per the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended, a copy of this DD has not been approved by SEBI. It is distinctly understood that this DD should not in any way be deemed or construed to be approved or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company or for the correctness of the statements made or opinions expressed in this DD.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a draft copy of this DD has been filed with BSE Limited in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended. It is to be distinctly understood that submission of this DD to BSE should not in any way be deemed or construed to mean that this DD has been reviewed, cleared or approved by BSE, nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this DD. BSE does not warrant that the NCDs will be listed or will continue to be listed on BSE nor does BSE take any responsibility for the soundness of the financial and other conditions of the Company, its sponsors, its management or any activities of the Company.

DISCLAIMER CLAUSE OF RBI

The Company has obtained a certificate of registration dated September 23, 2008 bearing no. 11 issued by the Reserve Bank of India (RBI) to carry on the business of securitisation and asset reconstruction under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. However, a copy of this DD has not been reviewed, cleared or approved by the RBI. 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 discharge of liability by the Company. By issuing the aforesaid certificate of registration dated September 23, 2008 to the Company, RBI neither accepts any responsibility nor guarantee for the payment of any amount due to any investor in respect of the NCDs.

DISCLAIMER CLAUSE OF THE COMPANY

The Company has certified that the disclosures made in this DD are adequate and in conformity with the SEBI guidelines and RBI Guidelines in force for the time being. This requirement is to facilitate investors to take an informed decision for making an investment in the proposed Issue. The Company accepts no responsibility for statements made otherwise than in the DD or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

DISCLAIMER ON VALUATION:

The Valuation reflects the independent views of the Valuation Agent. It is expressly stated that the valuation is not the view of the Issuer or its affiliates. The Issuer has not reviewed the Valuation and is not responsible for the accuracy of the Valuations. The Valuations provided by the Valuation Agent, and made available on the website of the Issuer and the Valuation Agent do not represent the actual price that may be received upon sale or redemption of the Debentures. They merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The Valuations provided by the Valuation Agent may include the use of models by the Valuation Agent (that may be different from the proprietary models used by the Issuer and/or the calculation agent) and

consequently, valuations provided by other parties (including the Issuer and/or the calculation agent) may be significantly different.

DISCLAIMER BY THE VALUATION AGENT:

Market Linked Debenture Valuation provided by the Valuation Agent reflects the Valuation Agent's opinion on the value of the Market Linked Debenture on the valuation date and does not constitute an audit of the Issuer by the Valuation Agent. The Valuation is based on the information sought from and provided by the Issuer or obtained by the Valuation Agent from sources it considers reliable. The Valuation Agent does not guarantee the completeness or accuracy of the information on which the Valuation is based. The Valuation Agent specifically states that the Valuation is an indicative value of the Debenture on the valuation date and can be different from the actual realizable value of the Debenture. The Valuation does not comment on the market price of the Market Linked Debentures or suitability for a particular investor. In the event of early redemption/buy back/ any other premature exit, investors may choose to contact the Issuer directly or through their intermediaries (through whom investments in the Specified MLDs were made) or, in the alternative, follow the procedure as set out in the relevant offer Document.

DISCLAIMER OF THE ARRANGER

It is advised that the Issuer Company has exercised self due-diligence to ensure complete compliance of prescribed disclosure norms in this Disclosure Document. The role of the Arranger in the assignment is confined to marketing and placement of the Debentures on the basis of this Disclosure Document as prepared by the Issuer Company. The Arranger has neither scrutinized/ vetted nor has it done any due-diligence for verification of the contents of this Disclosure Document. The Arranger shall use this document for the purpose of soliciting subscription to eligible investors in the Debentures to be issued by the Issuer Company on private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Arranger should not in any way be deemed or construed that the document has been prepared, cleared, approved or vetted by the Arranger; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer Company. The Arranger or any of its directors, employees, affiliates or representatives does not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document.

DISCLAIMER IN RESPECT OF JURISDICTION

Issue of these Debentures have been/will be made in India to investors as specified under clause “**Who Can Apply**” in this DD, who have been/shall be specifically approached by the Company. This DD is not to be construed or constituted as an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. The Debentures are governed by and shall be construed in accordance with the existing Indian laws as applicable in the state of Maharashtra. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals of Mumbai.

FORCE MAJEURE

The Company reserves the right to withdraw the Issue at any time prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Company will refund the application money, if any, without assigning any reason.

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Disclosure Document.

General terms

| Term | Description |
|--|---|
| JM Financial Asset Reconstruction Company Limited/ JMFARC / the Company / the Issuer | JM Financial Asset Reconstruction Company Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India and registered as asset reconstruction company with the Reserve Bank of India |

Company related terms

| Term | Description |
|--------------------------|---|
| Auditor | M/s. Khimji Kunverji & Co., the statutory auditors of the Company |
| Board of Directors/Board | The Board of Directors of the Company or any Committee thereof |
| Director(s) | Director(s) of the Company for the time being on the Board of the Company, unless otherwise specified |
| Memorandum and Articles | The Memorandum & Articles of Association of the Company, as amended from time to time |
| NBFC | Non Banking Financial Company as per the Reserve Bank of India Act, 1934, as amended from time to time |
| Registered Office | The registered office of the Company located at 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India |

Issue related terms

| Term | Description |
|--------------------------|--|
| Act | shall mean provisions of the Companies Act, 1956 and the Companies Act, 2013, which are in effect from time to time |
| Allotment/Allot | The allotment of the NCDs or Debentures under this Issue |
| Application Form | The form in which an investor can apply for subscription to the NCDs |
| Beneficial Owner(s) | Holder(s) of the Debentures in dematerialized form as defined under section 2 of the Depositories Act, 1996 |
| BSE | BSE Limited |
| Business Day | Any day of the week excluding Saturdays, Sundays, any day which is a public holiday for the purpose of the Negotiable Instruments Act, 1881 in Mumbai and any other day on which banks are closed for customer business in Mumbai, India |
| CDSL | Central Depository Services (India) Limited |
| Deemed Date of Allotment | The deemed date of allotment of NCDs being June 21, 2017 |
| Debenture(s) | Secured, Rated, Listed, Redeemable, Non-convertible Debenture(s) of the face value of ₹ 10,00,000/- (Rupees Ten Lakh only) each for cash aggregating ₹ 15,00,00,000/- (Rupees Fifteen Crore Only) to be issued |

| Term | Description |
|---------------------------|--|
| | pursuant to this issue |
| Debenture Holder | The Debenture holder whose name appears in the register of debenture holders or in the beneficial ownership record furnished by NSDL/CDSL for this purpose |
| Debenture Trustee | Trustee for the Debenture Holders, in this case being Vistra ITCL (India) Limited |
| Depository(ies) | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL |
| Depositories Act | The Depositories Act, 1996, as amended from time to time |
| Depository Participant/DP | A depository participant as defined under the Depositories Act, 1996 |
| Disclosure Document/ DD | This Disclosure Document through which the Issue is being made and which contains the disclosures as per Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time |
| DP-ID | Depository Participant Identification Number |
| DRR | Debenture Redemption Reserve to be created, if any, in accordance with the provisions of the Companies Act, 2013 |
| ECS | Electronic clearing system |
| Equity Shares | Equity shares of the Company of the face value of ₹10 each |
| Interest/Coupon Rate | The rate of interest, if any, payable on the NCDs for the period specified in the DD |
| Issue | Private Placement of the Debentures under this DD |
| Market Lot | The minimum lot size for trading of the Debentures on the Stock Exchange, in this case being 1 (One) Debenture |
| Moveable Property | Moveable Property shall mean the specific identified movable properties of the Company provided as security in relation to this issue, including the Security Receipts held by the Company and the Company's receivables |
| Mutual Fund | A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| NCDs | Debentures issued pursuant to this Issue |
| NEFT | National Electronic Fund Transfer Service |
| NSDL | National Securities Depository Limited |
| PAN | Permanent Account Number |
| Rating Agency | ICRA Limited |
| RBI | The Reserve Bank of India |
| RBI Act | The Reserve Bank of India Act, 1934, as amended from time to time |
| RBI Guidelines | RBI Guidelines means the guidelines issued by RBI for the purpose of issue of NCDs |
| RoC | Registrar of Companies, Mumbai, Maharashtra |
| RTGS | Real Time Gross Settlement |
| Receivables | Receivables shall mean all amounts payable to the Company by the obligors including principal, interest, additional interest, overdue charges, premium on prepayment, prepayment proceeds, gross of service tax (if any) arising out of any of loans and advances, investments, stock in trade and other current assets of the Company |

| Term | Description |
|----------------------------------|--|
| Redemption Date | With respect to any Debenture shall mean the date on which repayment of principal amount and all other amounts due in respect of the Debentures will be made |
| Registrar/Registrar to the Issue | Registrar to the Issue, in this case being Karvy Computershare Private Limited |
| SARFAESI | The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act, 1992 |
| SEBI Act | The Securities and Exchange Board of India Act, 1992, as amended from time to time |
| SEBI Regulations | Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time |
| Security | Means the security created or caused to be created by the Company to secure its obligations in respect of the Debentures and includes movable and/or immovable properties of the Company |
| Security Receipts | Security Receipts issued by SC/RC in accordance with the provisions of SARFAESI |
| Stock Exchange | BSE Limited |
| Tranche VIII NCDs | Shall mean all 150 NCDs issued under this DD in two options. |
| WDM | Wholesale Debt market Segment of the BSE |

DISCLOSURES AND INFORMATION RELATING TO THE REFERENCE STOCK / UNDERLYING**1. DEFINITIONS**

- 1.1. De-listing** has the meaning given to it in Clause 3;
- 1.2. Disrupted Day** means any Scheduled Trading Day on which the NSE fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;
- 1.3. Early Closure** means, in respect of a Stock, the closure on an Exchange Business Day of the Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by the Exchange, as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day;
- 1.4. Early Redemption Amount** means the amount payable by the Issuer to the Debenture Holder on an Early Redemption Date. This amount will be the fair value of the Debentures on such Early Redemption Date.
- 1.5. Exchange** means, in respect of a Stock, the National Stock Exchange of India Limited or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Stocks has temporarily relocated (provided that there is comparable liquidity relative to such Stock on such temporary substitute exchange or quotation system as on the original Exchange);
- 1.6. Exchange Business Day** means any Scheduled Trading Day on which the Exchange is open for trading during its regular trading sessions, notwithstanding such Exchange closing prior to its Scheduled Closing Time;
- 1.7. Exchange Disruption** means, in respect of a Stock, any event (other than an Early Closure) that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, (i) the Stock on the Exchange, or (ii) futures or options relating to the Stock on the relevant Exchange;
- 1.8. Extraordinary Dividend** means, in respect of a Stock, an amount per Stock paid as dividend for a particular reason, and not paid in regular course of time;
- 1.9. Market Disruption Event** means, in respect of a Stock, the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption at any time during the one hour period that ends at the Valuation/Observation Time, (ii) an Exchange Disruption at any time during the one hour period that ends at the Valuation/Observation Time or (iii) an Early Closure, which in either case is material. For the avoidance of doubt, a limitation on the hours and number of days of trading resulting from a change in the regular business hours of the Exchange will not constitute a Market Disruption Event; The Company shall, as soon as reasonably practicable, notify the Debenture Holders of the existence or occurrence of a Disrupted Day on any day that but for the occurrence or existence of a Disrupted Day would have been an Observation Date;
- 1.10. Merger Date** means, in respect of a Merger Event of a Stock Issuer, the closing date of such Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Company;
- 1.11. Merger Event** means, in respect of the Stock, any (i) reclassification or change of the Stock that results in a transfer of or an irrevocable commitment to transfer the Stock outstanding, to another entity or person, (ii) consolidation, amalgamation, merger or binding Stock exchange of

the Stock Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding Stock exchange in which the Stock Issuer is the continuing entity and which does not result in reclassification or change of all of the Stock outstanding) or (iii) consolidation, amalgamation, merger or binding Stock exchange of the relevant Stock Issuer or its subsidiaries with or into another entity in which such Stock Issuer is the continuing entity and which does not result in a reclassification or change of all such Reference Stocks outstanding but results in the outstanding Stocks (other than Stocks owned or controlled by such other entity) immediately prior to such event collectively representing less than such percentage of the outstanding Stocks immediately following such event (a "Reverse Merger"), in each case if the Merger Date is on or before the relevant Valuation Date.

- 1.12. Observation Date** shall mean each Date as specified in the Summary Term Sheet, provided that if such day is not a Scheduled Trading Day then, as per Modified Following Business Day Convention or if the day which would otherwise be the Observation Date, is a Disrupted Day, then the relevant Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Observation Date is a Disrupted Day. In that case (a) that the eighth Scheduled Trading Day shall be deemed to be the relevant Observation Date (notwithstanding the fact that such day is a Disrupted Day) and (b) the Company shall determine the level of the Reference Stocks as of the Observation Time on that eighth Scheduled Trading Day last in effect prior to the occurrence of the first Disrupted Day using the quoted price as of the Observation Time on that eighth Scheduled Trading Day of the Reference Stocks (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); provided always that the final Observation Date will not be later than the eighth Business Day after the Final Valuation Date and if the eighth Scheduled Trading Day would be later than the eighth Business Day after the Final Valuation Date, references to the eighth Scheduled Trading Day shall be deemed to be the eighth Business Day after the Final Valuation Date.
- 1.13. Observation Time** means Scheduled Closing Time on an Observation Date;
- 1.14. Potential Adjustment Event** has the meaning given to it in paragraph 2.1.
- 1.15. Scheduled Closing Time** means, in respect of the Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after-hours or any other trading outside of the regular trading session hours;
- 1.16. Scheduled Trading Day** means, in respect of a Stock, any day on which the relevant Exchange is scheduled to be open for trading for its respective regular trading sessions;
- 1.17. Reference Stock/ Stock** shall mean and include IGB 6.79 15/05/27 Corp as specified in table for Terms and Conditions of Debentures/NCDs.
- 1.18. Tender Offer** means, in respect of any Stock, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, such percentage of the outstanding voting Stocks of the relevant Stock Issuer which requires a public announcement to be made of such acquisition under the SEBI (Substantial Acquisition of Stocks and Takeovers) Regulations, 2011 (if applicable), based upon the making of filings with governmental or self-regulatory agencies or such relevant other information;
- 1.19. Tender Offer Date** means, in respect of a Tender Offer, the date on which the percentage of voting Stocks are actually purchased or otherwise obtained;

1.20. Trading Disruption means, in respect of a Stock, any suspension of or limitation imposed on trading by the Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise: (i) relating to the Stock on the Exchange or (ii) in futures or options contracts relating to the Stock on the Exchange;

1.21. Valuation Time means, the Scheduled Closing Time on the relevant Exchange. If the Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2. ADJUSTMENTS TO THE STOCKS

2.1. Event requiring Adjustments

- a) The occurrence of a Merger Event, Tender Offer, Realisation Disruption Event and Potential Adjustment Event (as defined hereinafter) shall each constitute an Adjustment Event:
- b) For the purposes of this DD, Potential Adjustment Event, shall mean, with respect to the Stock, any of the following:
 - (i) a subdivision, consolidation or reclassification of the Stock (unless resulting in a Merger Event), or a free distribution or dividend of the Stock to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution, issue or dividend to existing holders of the Stock of (1) such Stock or (2) other Stock capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of such Stock Issuer equally or proportionately with such payments to holders of such Stock, or (3) Stock capital or other securities of another issuer acquired or owned (directly or indirectly) by such Stock Issuer as a result of a spin-off or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price;
- c) An Extraordinary Dividend;
- d) A call by the Stock Issuer in respect of Stocks that are not fully paid;
- e) A repurchase by the Stock Issuer whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- f) An event that results in any Stockholder rights being distributed or becoming separated from Stocks of common stock or other Stocks of the capital stock of the Stock Issuer pursuant to a Stockholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- g) Any other event that may have a diluting or concentrating effect on the theoretical value of the relevant Stock.
- h) "**Realisation Disruption Event**" shall have occurred if any restrictions, taxes, charges or other deductions have been imposed by any applicable governmental, taxation, judicial or regulatory

body on (a) any dealing by the Issuer or any of its affiliates in any relevant instruments listed or traded on any Exchange or Related Exchange and held by the Issuer or any of its affiliates for hedging purposes such that the Issuer or any of its affiliates (1) is unable to continue to purchase, sell or otherwise deal in relevant instruments, (2) is unable to perform its obligations under the Debenture or in respect of any relevant hedging arrangements in connection therewith or (3) will incur a materially increased cost (as compared with circumstances existing at the Issue Opening Date) in performing its obligations under the Debenture or in respect of any relevant hedging arrangements in connection therewith;

2.2. Adjustment

On or at any time after the occurrence of an Adjustment Event,

- a) upon determination by the Company that a Merger Event/Tender Offer has occurred, then, on or after the relevant Merger Date/Tender Offer Date, the Company shall make such adjustment to the relevant terms of the Debentures which is appropriate to account for the economic effect on the Debentures of such Merger Event/Tender offer (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Stock), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event/Tender offer by any exchange on which options on the Stock traded and determine the effective date of that adjustment.
- b) if the Adjustment Event is a Potential Adjustment Event, then following the declaration by any Stock Issuer of an event which is a Potential Adjustment Event or following any adjustment to the settlement terms of listed contracts of the relevant Stock, the Company shall determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Stock and, if so, a. will make the corresponding adjustment, if any, to the calculation of the Coupon Amount and/or the Final Redemption Amount and/or the Contingent Early Redemption Amount and/or any other relevant terms of the Debentures as the Company, in its sole and absolute discretion (which discretion is not subject to any challenge or dispute), appropriate to account for that diluting or concentrative effect or, b. determine the effective date(s) of the adjustment(s); provided that no adjustment shall be made to the date of maturity of the Debentures. Such adjustments shall be deemed to be so made from such effective date(s).
- c) if the Adjustment Event is a Realisation Disruption Event, on or before any Valuation Date, the Company may, in good faith and in a commercially reasonable manner, make such consequential adjustments to any of the terms of the Debentures (including any payment obligations) as it determines appropriate in order to reflect the particular Realisation Disruption Event. Such adjustments may include (but are not limited to) (1) deduction of the applicable charge, tax or deduction from the Redemption Amount or Early Redemption Amount, as the case may be, and/or (2) non-payment of the Redemption Amount or Early Redemption Amount and the retention of such amount, as the case may be, until the relevant restrictions are lifted. Any such adjustments will be effective as of the date determined by the Company. The Company may (but need not) in its absolute discretion determine the appropriate adjustments by reference to the adjustment(s) in respect of such Adjustment Event made by any Exchange to listed contracts of the relevant Stock traded on such Exchange.

If the Company is unable to make such adjustment, then it shall have the sole discretion to redeem the Debentures in the manner provided below, describing the process for Early Redemption.

The Issuer shall, as soon as reasonably practicable, provide notice to the Debenture-Holder and Trustee of any consequential adjustments to be made to the terms of the Debentures as determined appropriate by it which notice shall be irrevocable, provided that any failure to give, or non-receipt of such notice will not affect the validity of the Adjustment Event.

3. EARLY REDEMPTION FOR EXTRAORDINARY REASON, ILLEGALITY AND FORCE MAJEURE

If, for reasons beyond the control of the Issuer, the performance of the Issuer's obligation(s) under the Debentures is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Issuer, occurring after such obligation(s) is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Issuer may at its discretion and without obligation redeem all but not some of the Debentures, by giving notice of not less than five (5) Business Days to the Debenture Holders which notice shall be irrevocable and shall specify the date upon which the Debentures shall be redeemed (such date on which the Debentures become immediately due and payable, the "**Early Redemption Date**"). If the Debentures are so cancelled, the Issuer will, if and to the extent permitted by applicable law, pay to each Debenture Holder in respect of each Debenture held by such holder an amount equal to the Early Redemption Amount of a Debenture notwithstanding the illegality or impracticability as determined by the Company in its sole and absolute discretion.

Nationalisation or De-listing Event shall have occurred if at any time in respect of the Stock Issuer, (A) all the Stocks of the Stock Issuer or all the assets or substantially all the assets of such Stock Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof ("**Nationalisation**") or (B) the relevant Exchange announces that pursuant to the rules of such Exchange, such Stocks cease (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in India or such Stocks are no longer listed on an Exchange acceptable to the Issuer ("**De-listing**")

Insolvency Event shall have occurred If at any time, by reason of the voluntary or involuntary liquidation, winding-up, dissolution, bankruptcy or insolvency or analogous proceeding affecting the Stock Issuer (i) all the Stocks of the Stock Issuer are required to be transferred to any trustee, liquidator or other similar official or (ii) holders of the Stocks of such Stock Issuer become legally prohibited from transferring them, Insolvency Filing Event shall have occurred if an Insolvency Filing shall have occurred.

"Insolvency Filing" means, in respect of the Stock, that the Stock Issuer has instituted, or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or its consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the relevant Stock Issuer shall not be deemed an insolvency filing. The Issuer shall, as soon as reasonably practicable, provide notice to the Debenture-Holder and Trustee of determination of any event to be made to the terms of the Debentures as determined appropriate by it and which shall consequent Early Redemption. Such notice shall be irrevocable and shall specify the date of such redemption.

4. DETERMINATIONS

Whenever any matter falls to be determined, considered or otherwise decided upon by the Issuer, or any other person (including where a matter is to be decided by reference to the Issuer's, or such other person's opinion), unless otherwise stated, that matter shall be determined, considered or otherwise decided upon by the Issuer or such other person, as the case may be, in good faith and in its sole and absolute discretion.

5. CORRECTION OF STOCK PRICES

In the event that any price or level published on the Exchange or Related Exchange and which is

utilised for any calculation or determination made in respect of the Debentures is subsequently corrected and the correction is published by the Exchange or Related Exchange within two Business Days after the original publication (and at least two Business Days prior to the Maturity Date), the Issuer will determine the amount that is payable or deliverable as a result of the correction and, to the extent necessary, adjust the terms of the Debentures to account for such correction.

CERTAIN IMPORTANT DISCLAIMERS, INCLUDING IN RELATION TO THE REFERENCE STOCKS

- A.** This DD in relation to the Debentures is made available by the Issuer to the applicant on the further strict understanding that (i) in providing this DD to the applicant, there will be no violation of rules, regulations and byelaws issued by any applicable authority including those issued by the Securities and Exchange Board of India; (ii) the applicant has sufficient knowledge, experience, and professional advice to make its own evaluation of the merits and risks of a transaction of the type under this DD and (iii) the applicant is not relying on the Issuer nor on any of the affiliates of the Issuer for information, advice or recommendations of any sort except for the accuracy of specific factual information about the possible terms of the transaction.

The Issuer is not acting as the advisor or agent of the applicant. This DD does not purport to identify for the applicant, the risks (direct or indirect) or other material considerations, which may be associated with the applicant entering into the proposed transaction. Prior to entering into any proposed transaction, the applicant should independently determine, without reliance upon the Issuer or the affiliates of the Issuer, the economic risks and merits, as well as the legal, tax, and accounting characterizations and consequences of the transaction and including that the applicant is able to assume these risks. The Issuer, and/or the affiliates of the Issuer, may act as principal or agent in similar transactions and/or in transactions with respect to instruments underlying a proposed transaction. The Issuer, and/or the affiliates of the Issuer may, from time to time, have a long or short proprietary position/s and/or actively trade, by making markets to its clients, in financial products identical to or economically related to those financial products described in this DD. The Issuer may also undertake hedging transactions related to the initiation or termination of a transaction, that may adversely affect the market price, rate, index or other market factors(s) underlying the financial product and consequently its value. The Issuer may have a commercial relationship with and access to information of reference securities, financial products, or other interests underlying a transaction. This DD and the contents herein are the Issuer's property, and are to be considered proprietary information and may not be reproduced or otherwise disseminated in whole or in part without the Issuer's written consent unless required to by judicial or administrative proceeding, and then with prior notice to the Issuer. Applicants must understand that while the Debentures would be listed, in view of the nature and complexity of the Debentures, marketability may be impacted in a manner that cannot be determined. Past performance is not indicative of future performance. Investment in the Debentures may be subject to the risk of loss, meaning the allottee may lose some or all of its investment especially where changes in the value of the transaction may be accentuated by leverage. There is a risk that the occurrence of a force majeure or illegality, may result in the loss of part of the investment. No liability whatsoever is accepted for any loss arising (whether direct or consequential) from any use of the information contained in this communication. The Issuer undertakes no obligation to effect any updates on information. Any prices used herein, other than in relation to term sheet, are indicative. Any opinions attributed to the Issuer, and/or the affiliates of the Issuer constitute the Issuer's judgment as of the date of the material and are subject to change without notice. Provision of information may cease at any time without reason or notice being given. Commissions and other transaction costs may not have been taken into consideration. Any scenario analysis is provided for illustrative purposes only and does not represent actual termination or unwind prices, nor does it present all possible outcomes or describe all factors that may affect the value of your investment. The return on the Debentures is dependent on the Reference Stocks. The Company has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to the Debentures have occurred, and (ii) to determine any resulting adjustments and calculations as described in such conditions. Prospective purchasers should be aware that any determination made by the Company may have an impact on the value and financial return of the Debentures.

- B.** Notwithstanding anything herein contained the Issuer shall not bear responsibility or liability for any losses arising out of any delay in or interruptions of performance of the Exchange with regard to the Stock or the Issuer's obligations under this DD due to any Force Majeure Event, act of God, act of governmental authority, act of the public enemy or due to war, the outbreak or escalation of hostilities, riot, fire, flood, civil commotion, insurrection, labour difficulty (including, without limitation, any strike, or other work stoppage or slow down), severe or adverse weather conditions, communications line failure, or other similar cause beyond the reasonable control of the Issuer.

"Force Majeure Event" for the purposes of the clause above, means any war, strike, lock-out, national disaster, act of terrorism, an act of Issuer occurring after such obligation is entered into, or such obligation has become illegal or impossible in whole or in part, or any breakdown, failure or malfunction beyond the control of the Issuer of any telecommunication or computer system including, without limitation unavailability of any communication system, systems outages breakdowns, breach or virus in the processes or payment and delivery mechanism, sabotage, fire, flood, explosion, acts of God, civil commotion, strikes or industrial action of any kind, riots, insurrection, acts of government, computer hacking unauthorised access to computer data and storage devices, computer crashes, etc.

No review of the Reference Stock or the Stock Issuer, including without limitation, any public filings made by the Stock Issuer have been made for the purposes of forming a view as to the merits of an investment linked to the Reference Stock. Nor is any guarantee or express or implied warranty in respect of the selection of the Reference Stock made nor is any assurance or guarantee as to the performance of the Reference Stock given. Investors should not conclude that the sale by the Issuer is any form of investment recommendation by it or any of its affiliates, or agents acting on any of their behalf.

- C.** The Issuer accepts no responsibility for the accurate extraction, reproduction and summary of any information relating to Reference Stock. No further or other responsibility in respect of such information is accepted by the Issuer. No representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by the Issuer as to the accuracy or completeness of the information contained in this DD. Purchasers of the Debentures should ensure that they understand the nature of the Debentures and the extent of their exposure to risk and that they consider the suitability of the Debentures as an investment in the light of their own circumstances and financial condition. The performance of the Reference Stock will therefore affect the nature and value of the investment return on the Debentures. Also a relatively small movement in the value of the Reference Stock can result in a disproportionately large movement in the price of the Debentures. Purchasers should conduct their own investigations and, in deciding whether or not to purchase Debentures, purchasers of the Debentures should form their own views of the merits of an investment related to the Reference Stock based on such investigations and not in reliance on any information given in this DD.

SECTION - II

RISK FACTORS

The following are the risks envisaged by the management of the Company relating to the Company, the Debentures and the market in general. Investors should carefully consider all the risk factors in this DD for evaluating the Company, its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding the risks of holding the Debentures are exhaustive. The order 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. Investors should also read the detailed information set out elsewhere in this DD and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's Debentures could decline and/or the Company's ability to meet its obligations in respect of the Debentures could be affected. More than one risk factor may have simultaneous effect with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.

A. INTERNAL RISK FACTORS

1. Credit Risk

Any lending and investment activity by the Company is exposed to credit risk arising from interest/repayment default by borrowers and other counterparties. Being an asset reconstruction company, the Company has invested in Security Receipts having underlying assets being Non-performing assets (NPAs) and has also lent money to borrowers having high credit risks. The Company is also exposed to the risk of borrowers who owe money, securities or other dues and does not meet their obligations due to various reasons.

The value of the security/collateral granted in favour of the Company, as the case may be, may decline due to adverse market and economic conditions (both global and domestic), delays in insolvency, winding up and foreclosure proceedings, defects in title, difficulty in locating moveable assets, inadequate documentation in respect of assets secured and the necessity of obtaining regulatory approvals for the enforcement of the security over the assets. The Company may not be able to recover the estimated value of the assets, thus exposing it to potential losses.

Any delay in enforcing the collateral due to delays in enforcement proceedings before Indian courts or otherwise could also expose the Company to potential losses. Although the Company regularly reviews its credit exposures, defaults may arise from events or circumstances that are difficult to detect or foresee.

2. Repayment of principal is subject to the credit risk of the Company

Investors should be aware that receipt of principal amount and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Company. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert

bankruptcy are instituted by or against the Company, the payment of sums due in respect of the Debentures may be substantially reduced or delayed.

3. Access to Capital Markets and Commercial Borrowings

With the growth of its business, the Company will increasingly rely on funding from the debt capital markets and commercial borrowings. The Company's growth will depend on its continued ability to access funds at competitive rates which in turn will depend on various factors including its ability to maintain its credit ratings. If the Company is unable to access funds at an effective cost that is comparable to or lower than its competitors, the Company may not be able to have adequate funds to meet the requirements of the business. This may adversely impact its business results and its future financial performance.

4. Commercial Papers and Short term borrowings

The Company, being an asset reconstruction company, does not have access to public deposits. A major portion of the Company's funding requirements is currently met through short term funding sources such as commercial papers and short term loans from banks and other bodies corporate. Potential funding mismatches may arise if short term funding sources are not available to the Company. This could have a negative impact on the business and future financial performance of the Company.

5. Operational and System Risk

The Company faces operational and system risks, which may arise as a result of various factors, viz., improper authorizations, failure of employees to adhere to approved procedures, inappropriate documentation, failure in maintenance of proper policies, frauds, inadequate training and employee errors. Further, there can also be a security risk in terms of handling information technology related products such as system failures, information system disruptions, communication systems failure which involves certain risks like data loss, breach of confidentiality and adverse effect on business continuity and network security.

If any of the systems do not operate properly or are disabled or if other shortcomings or failures in internal processes or systems are to arise, this could affect the Company's operations and/or result in financial loss, disruption of Company's businesses, regulatory intervention and/or damage to its reputation. In addition, the Company's ability to conduct business may be adversely impacted by a disruption (i) in the infrastructure that supports its businesses and (ii) in the localities in which it is located.

6. Any inability of the Company to attract or retain talented professionals may impact its business operations

The business in which the Company operates is very competitive and ability to attract and retain quality talent impacts the successful implementation of growth plans. The Company may lose many business opportunities and business would suffer if such required manpower is not available on time. The inability of the Company to replace manpower in a satisfactory and timely manner may adversely affect its business and future financial performance.

7. Employee Misconduct

Any kind of employee misconduct may impair the Company's ability to service its clients. It is not always possible to deter employee misconduct and the precautions the Company takes to detect and prevent this activity may not be effective in all cases.

8. Downgrading in credit rating

ICRA Limited has assigned “PP-MLD [ICRA] AA - / stable” rating for this NCD issue of ₹ 15 Crore. The Company cannot guarantee that this rating will not be downgraded. In the event of deterioration in the financial health of the Company, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, investors may have to take losses on re-valuation of their investment or make provisions towards sub-standard/non-performing investment as per their usual norms. Such a downgrade in the credit rating may lower the value of the Debentures and/or the Company’s ability to meet its obligations in respect of the Debentures could be affected.

9. No guarantee

JM Financial Limited, the Principal Sponsor of the Company has not provided any guarantee in any manner with respect to the Debentures and no Investor shall have any recourse against JM Financial Limited or any of its promoters or group companies, except the Company, with respect to the performance of the terms and conditions of the Issue.

10. Decisions may be made on behalf of all Debenture Holders that may be adverse to the interest of individual Debenture Holders

The terms of the Debentures contain provisions for calling meetings of Debenture Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Debenture Holders including Debenture Holders who did not attend and vote at the relevant meeting.

11. Security may be insufficient to redeem the Debentures

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of the Debenture Trust Deed and other related documents. The Investors’ recovery in relation to the Debentures will be subject to (i) the market value of the property offered as security, and (ii) finding a willing buyer for such security at a price sufficient to repay the investors’ amounts outstanding under the Debentures.

12. Tax and other Considerations

Special tax, accounting and legal considerations may apply to certain types of investors. Investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of an investment into the Debentures.

13. Company’s indebtedness and covenants imposed by its financing arrangements may restrict its ability to conduct its business or operations

The Company’s financing arrangements require it to maintain certain security cover for some of its borrowings. Should there be any breach of financial or other covenants of any financing arrangements and such breach continues beyond the stipulated cure period, the Company may be subjected to various consequences as a result of such default including forced repayment of such borrowings. Further, under some of the financing arrangements, the Company is required to inform/obtain prior approval of the lenders/debentures holders/ debenture trustee for various actions. This may restrict/delay some of the actions/initiatives of the Company from time to time.

14. The business of the Company is dependent on the successful acquisition of financial assets from the banks/financial institutions and the resolution of such acquired assets within the realisation time frame.

Any failure in realisation of the assets acquired by the Company due to recession, inflation, economy, change in regulations, etc. could adversely affect the business of the Company. Failure in acquisition of financial assets may also impact the financial performance of the Company.

15. Potential Conflicts of Interest

Investors should ensure that they understand and accept the identities of the parties and the roles they play in relation to the Debentures, as disclosed in the DD.

The Company may appoint itself or an affiliate as its Calculation Agent or other agent, for the purposes of calculating amounts payable or deliverable to holders of Debentures, or for any other purpose. Under certain circumstances, the agent's responsibilities as Calculation Agent or other agent for the Debentures could give rise to conflicts of interest. In particular, in their respective roles, the Issuer or the various named agents may retain various powers of discretion which may have a material impact on the value and performance of the Debentures (including the ability to declare an early redemption of the Debentures at market price as a result of certain conditions). Such discretions may create conflicts of interest due to the capacities in which the Issuer or the agents are acting and these discretions may be exercised (or not be exercised) in a way that could adversely affect the Debenture Holders. The Calculation Agent or other agent is required to carry out its duties in good faith and using its reasonable judgment. However, because the Company could be controlled by the affiliate, potential conflicts of interest could arise. The Company also may enter into an arrangement with an affiliate to hedge market risks associated with its obligations under the Debentures. Such affiliate expects to make a profit in connection with this arrangement. The Company will not seek competitive bids for this arrangement from unaffiliated parties.

The Company and its affiliates have no obligation to disclose such information or activities; provided that the Issuer will make every good faith effort not to take advantage of any price sensitive information. By purchasing or holding any Debentures, the Debenture Holder acknowledges that the Issuer, its affiliates and their respective officers and respective directors may engage in any such activities without regard to the Disclosure Document and the relevant Pricing Supplement or the effect that such activities may directly or indirectly have on the Debentures and the Debenture Holder irrevocably waives any claim that it may have in respect thereof. In particular the following situations may arise:

a) Transactions involving the underlying

The Issuer and its affiliates may from time to time engage in transactions involving the underlying for their proprietary accounts and for accounts under their management. Such transactions may have a positive or negative effect on the value of the underlying and consequently upon the value of the Debentures.

b) Issuing of other debentures in respect of the underlying

The Issuer and its affiliates may issue other debentures in respect of the underlying and the introduction of such competing products into the market place may affect the value of the Debentures.

c) Market-Making for the underlying

The affiliates of the Issuer may, in certain cases, act as a market-maker for the underlying, which might in particular be the case when any of such affiliates has also issued the underlying. By such market-making, such affiliate will, to a large extent, determine the price of the underlying, and consequently influence the value of the Debentures itself.

d) Acting as underwriter or otherwise for the issuer of underlying

The affiliates of the Issuer may also act as underwriter in connection with future offerings of the underlying or may act as financial adviser to the issuer of an underlying. Such activities could present certain conflicts of interest and may affect the value of the Debentures.

e) Obtaining of Non-public Information

The Issuer and/or its affiliates may acquire non-public information with respect to the underlying, and neither the Issuer nor any of its affiliates undertakes to disclose any such information to any Debenture Holder.

B. EXTERNAL RISK FACTORS

1. The Debentures may be illiquid

The Company intends to list the Debentures on the WDM segment of the BSE. The Company cannot provide any guarantee that the Debentures will be frequently traded on the Stock Exchange and that there would be any market for the Debentures. It is not possible to predict if and to what extent a secondary market may develop for the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

The Company may, but is not obliged to, at any time purchase the Debentures at any price in the market or by tender or private agreement. Any Debentures so purchased may be resold or surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to settlement of the Debentures.

Further, the Company may not be able to issue any further Debentures, in case of any disruptions in the securities market.

2. Future legal and regulatory impact

Future government policies and changes in laws and regulations in India (including their interpretation and application to the operations of the Company) and comments, statements or policy changes by any regulator, including but not limited to SEBI or RBI, may adversely affect the Debentures, and restrict the Company's ability to do business. The timing and content of any new law or regulation is not within the Company's control and such new law, regulation, comment, statement or policy change could have an adverse effect on its business, financial results and/or operations.

Further, SEBI, the relevant Stock Exchange(s) or other regulatory authorities may require clarifications on this DD, which may cause a delay in the issuance of Debentures or may result in the Debentures being materially affected or even rejected.

3. Material changes in regulations to which the Company is subject

Asset reconstruction companies (ARCs) in India are subject to detailed supervision and regulation by the RBI. In addition, the Company is generally subject to changes in Indian law, as well as to changes in regulations and policies and accounting principles. Any changes in the regulatory framework affecting ARCs could adversely affect the profitability of the Company or its future financial performance by requiring a restructuring of its activities, increasing costs or otherwise.

4. A slowdown in economic growth in India

The Company's performance and the recovery from the assets acquired are necessarily dependent on the health of the overall Indian economy.

5. Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally

If there was to be any slowdown in the economic liberalization, or a reversal of steps already taken, it could have an adverse effect on the Company's business. Financial difficulties and other problems in certain financial institutions in India could cause the Company's business to suffer. The Company is exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties, trends and other problems faced by certain Indian financial institutions. The problems faced by such Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create an adverse market perception about Indian financial institutions, banks, NBFCs and ARCs. This in turn could adversely affect the Company's business, its future financial performance and its shareholders' funds.

6. Acts of God, terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and the Company's business

Acts of God, terrorist attacks and other acts of violence or war may negatively affect the Indian markets and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, adverse social, economic and political events in India could have a negative impact on the Company. Such incidents could also create a perception that investment in Indian companies involves a higher degree of risk which could have an adverse impact on the Company's business.

7. The Company's business may be adversely impacted by natural calamities or unfavourable climatic changes

India has experienced natural calamities such as earthquakes, floods, droughts and tsunami in recent years. India has also experienced pandemics, including the outbreak of avian flu and swine flu. The extent and severity of these natural disasters and pandemics determine their impact on the economy and in turn their effect on the financial services sector of which the Company is a part cannot be ascertained or predicted but could adversely affect the Company. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economy which in turn could adversely affect the financial results and/or operations of the Company.

C. ASSUMPTIONS IN RESPECT OF INVESTMENT IN NCDs BY INVESTORS

The initial subscriber by subscribing to and any subsequent purchaser by purchasing the NCDs shall be deemed to have agreed that and accordingly the Company shall be entitled to assume that each of the initial subscribers and any subsequent purchasers (Debenture Holder, as referred to hereinabove and hereinafter):

- 1) has reviewed the terms and conditions applicable to the NCDs as contained in the DD and has understood the same, and, on an independent assessment thereof, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that NCDs are a suitable investment and that the Debenture Holder can bear the economic risk of that investment;
- 2) has received all the information believed by it to be necessary and appropriate or material in connection with, and for, investment in the NCDs;

- 3) has sufficient knowledge, experience and expertise as an investor, to make investment in the NCDs;
- 4) has not relied on either the Company or any of its affiliate, associate or any person acting in its or their behalf for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the NCDs set out in this DD;
- 5) has understood that information contained in this DD is not to be construed as business or investment advice;
- 6) has made an independent evaluation and judgement of all risks and merits before investing in the NCDs;
- 7) has understood that the method and manner of computation of returns and calculations on the NCDs shall be solely determined by the Company and the decision of the Company shall be final and binding;
- 8) has understood that in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial or other related markets or if for any other reason the calculations cannot be made as the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Company and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture Holder(s) and no liability thereof will attach to the Company;
- 9) has understood that in the event that the Debenture Holder(s) suffers adverse consequences or loss, the Debenture Holder(s) shall be solely responsible for the same and the Company, its members, directors or affiliates shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture Holder(s) including but not limited to on the basis of any claim that no adequate disclosure regarding the risks involved were made or that the full risks involved were not explained or understood;
- 10) has the legal ability to invest in the NCDs and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or its assets;
- 11) where the Debenture Holder is a company, that:
 - (a) the Debenture Holder is not precluded under any law, rules, regulations and / or circular(s) issued by any statutory authority (ies) including under the Act from investing in the NCDs;
 - (b) all necessary corporate or other necessary action has been taken and that the Debenture Holder has corporate ability and authority, to invest in the NCDs; and
 - (c) investment in the NCDs does not contravene any provisions of its Memorandum and Articles of Association or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or the Debenture Holder's assets.

ADDITIONAL RISK FACTORS THAT ARE SPECIFIC TO ISSUE OF MARKET LINKED DEBENTURES:

- 1) The NCDs proposed to be issued are subject to model risk, i.e., the securities are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.
- 2) The NCDs proposed to be issued being principal/capital protected, the principal amount is subject to the credit risk of the issuer whereby the investor may or may not recover all or part of the funds in case of default by the issuer. Thus the investments in such NCDs may also result in a loss.
- 3) The valuations as may be provided by the Valuation Agency, on the website of the Issuer and the Valuation Agency or otherwise, do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agency's computation of the valuation which may in turn be based on several assumptions. A Debenture Holder understands and is aware that the valuation is not in any manner reflective of the actual returns that can be obtained by such Investor on the Debentures.
- 4) The return on an investment in the Debentures (which are linked with shares) may differ from the return an investor might earn on a direct investment in the shares over a similar period.
- 5) The terms of the instrument specify that the payments to investors will not be fixed, and will be linked to an external variable i.e. government security price of IGB 6.79 15/05/27 Corp. This could result in variability in payments - because of adverse movement in value of the external variable. The risk of such adverse movement in price / value is not addressed by any rating.
- 6) Investors considering borrowing capital to leverage their investment in the Debentures should obtain further detailed information as to the applicable risks from their lender. Any statement on the potential risks and return on the Debentures does not take into account the effect of any leveraging.
- 7) Investors are exposed to the factors like movement of interest rate volatility, time value etc. whenever their Debentures are redeemed, tendered or sold prior to maturity.
- 8) An investment in the Debentures involves multiple risks and such investment should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the applicable reference securities, indices, interest rates, etc.

SECTION - III

DISCLOSURES AS PER SCHEDULE I OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008

A. ISSUER INFORMATION

a. Name and Address of the following:

| Sr. No. | Particulars | Details |
|---------|--|--|
| 1. | Name of the Issuer | JM Financial Asset Reconstruction Company Limited |
| 2. | Registered Office of the Issuer | 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 Tel. No. +91 22 6630 3030 Fax: +91 22 6630 3223 Website: www.jmfinancialarc.com |
| 3. | Corporate Office of the Issuer | 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 Tel. No. +91 22 - 6630 3030 Fax: +91 22 - 6630 3223 |
| 4. | Company Secretary and Compliance Officer of the Issuer | Mr. Nikhil Bhandary 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 Tel. No. +91 22 - 6630 3445 Fax: +91 22 - 6630 3223 Email: nikhil.bhandary@jmfl.com |
| 5. | Chief Financial Officer of the Issuer | Mr. Sabyasachi Ray 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 Tel. No. +91 22 - 6630 3496 Fax: +91 22 - 6630 3223 Email: sabyasachi.ray@jmfl.com |
| 6. | Trustee of the Issue | Vistra ITCL (India) Limited The IL&FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Tel: +91 22 2659 3042; Fax: +91 22 2653 3297 E-mail: vihang.chavan@vistra.com Website: www.vistraitcl.com Contact Person: Mr. Vihang Chavan |
| 7. | Registrar of the Issue | Karvy Computershare Private Limited Karvy House, 46, Avenue 4, Street no.1, Banjara Hills, Hyderabad – 500 034 Tel: +91 40 6716 2222 Fax : +91 40 23001153 E-mail: varghese@karvy.com Contact Person: Mr. P.A.Varghese |
| 8. | Credit Rating agency of the Issue | ICRA Limited 3 rd Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 Tel: +91 22 6169 3300; Fax: +91 22 2433 1390 website: www.icra.in |
| 9. | Auditors of the Issuer | M/s. Khimji Kunverji & Co Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013 Tel: +91 22 6143 7333 website: www.kkc.in |

Investors can contact the compliance officer in case of any pre-issue or post-issue related matters.

b. Brief summary of the business / activities of the Issuer and its line of business:
i. Overview:

JM Financial Asset Reconstruction Company Limited (the Company) is an asset reconstruction company registered with the Reserve Bank of India under the provisions of SARFAESI. The Company is engaged in the business of acquisition of financial assets from banks / financial institutions and implementing resolution strategies for the acquired assets.

The Company is a leading player in the asset reconstruction business. As on March 31, 2017, the Company had acquired financial assets (cumulative) valued at ₹ 28,710 Crore at an acquisition cost (cumulative) of ₹ 13,278 Crore. The total assets under management of the Company as on March 31, 2017 were ₹ 11,874 Crore.

ii. Corporate Structure:

The shareholding pattern of the Company as on March 31, 2017 is as follows:

| Name of the shareholder | Number of shares held | Percentage of shareholding as on Record date (%) |
|---|-----------------------|--|
| Sponsor Shareholders | | |
| JM Financial Limited (Principal Sponsor) | 12,06,50,000 | 50.01 |
| Mr. Narotam Sekhsaria | 3,61,87,500 | 15.00 |
| Radhakrishna Bimalkumar Private Limited | 1,20,62,500 | 5.00 |
| Non –Sponsor Shareholders | | |
| Indian Overseas Bank | 2,10,00,000 | 8.70 |
| UCO Bank | 1,14,88,095 | 4.76 |
| Union Bank of India | 1,00,00,000 | 4.15 |
| Central Bank of India | 75,00,000 | 3.11 |
| Valiant Mauritius Partners FDI Limited | 2,03,20s,238 | 8.42 |
| JM Financial Group Employees' Welfare Trust | 20,41,667 | 0.85 |
| Total | 24,12,50,000 | 100.00 |

iii. Key Operational and Financial Parameters for the last three Audited years:

The Key Operational and Financial Parameters for the last three Audited Financial years are as under:

| Particulars | (₹ in Lakh) | | |
|---|---------------------------|---------------------------|---------------------------|
| | As per audited financials | As per audited financials | As per audited financials |
| | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 |
| Net Worth | 57,976.86 | 52,489.77 | 41,653.70 |
| Total Debt | 115,511.96 | 76,498.35 | 11,3057.71 |
| - Short Term Borrowing | 61,497.82 | 41,447.50 | 65,750.10 |
| - Current maturities of long term borrowing | 20,000.00 | 23.29 | 14.59 |
| Net Fixed Assets | 245.96 | 335.63 | 137.58 |
| Non Current Assets | 1,756.04 | 3254.87 | 752.34 |
| Cash and cash equivalents | 1,788.13 | 234.05 | 638.27 |
| Current Investment | 1,63,540.32 | 1,22,624.29 | 1,46,052.46 |
| Current Assets | 13,696.65 | 7553.57 | 9,731.87 |
| Current Liabilities | 7,173.95 | 19,789.77 | 4,378.63 |
| Asset Under Management (held in Trust) | 1,187,408.28 | 9,82,046.53 | 839,776.52 |
| Off Balance Sheet Assets | - | - | - |
| Total Income | 22,385.94 | 31,902.63 | 21,435.12 |
| Total expenses (other than interest) | 3,496.16 | 3,835.24 | 3,175.04 |
| Interest Expenses | 9,187.16 | 9,708.22 | 11,331.52 |
| Provisioning & write-offs | 1,323.41 | 2,520.43 | 921.18 |
| Profit After Tax | 5,487.09 | 10,836.06 | 3620.46 |
| Capital Adequacy Ratio (%) | 31.83% | 38.87% | 26.59% |

Abridged Balance Sheet
(₹ in Lakh)

| Sr No | Particulars | As per audited financials | As per audited financials | As per audited financials |
|----------|---|---------------------------|---------------------------|---------------------------|
| | | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 |
| A | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| A | Share Capital | 24,125.00 | 24,125.00 | 24,125.00 |
| B | Reserves and Surplus | 33,851.86 | 28,364.76 | 17,528.70 |
| | | 57,976.86 | 52,489.76 | 41,653.70 |
| 2 | Non-current liabilities | | | |
| A | Long-term borrowings | 34,014.14 | 35,027.55 | 47,293.12 |
| B | Other liabilities | 295.00 | | |
| C | Long-term provisions | 69.34 | 50.52 | 43.34 |
| | | 34,378.48 | 35,078.08 | 47,336.46 |
| 3 | Current liabilities | | | |
| a | Short-term borrowings | 61,497.82 | 26,644.78 | 63,943.71 |
| b | Trade payables | 82.29 | 16.69 | 20.20 |
| c | Current maturities of long- term borrowings | 20,000.00 | 3,000.00 | 14.59 |
| d | Other current liabilities | 7,021.63 | 4,969.54 | 4,321.22 |
| e | Short-term provisions | 70.03 | 56.04 | 37.19 |
| | | 88,671.77 | 46,434.55 | 68,336.94 |
| | Total | 181027.11 | 134,002.41 | 157,312.51 |
| B | ASSETS | | | |
| 1 | Non-current assets | | | |
| a | Fixed assets | | | |
| | (i) Tangible assets | 216.68 | 285.44 | 94.82 |
| | (ii) Intangible assets | 29.29 | 50.17 | 42.16 |
| | (iii) Capital work-in-progress | - | - | 0.59 |
| b | Deferred tax assets (liabilities) | 1,334.71 | 763.82 | 58.01 |
| c | Long-term loans and advances | 421.33 | 2,491.04 | 694.32 |
| | | 2,002.00 | 3,590.49 | 889.92 |
| 2 | Current assets | | | |
| a | Current investments | 163,540.32 | 122,624.29 | 146,052.46 |
| b | Trade receivables | 6,374.63 | 3,357.33 | 6,219.92 |
| c | Cash and bank balances | 1,788.13 | 234.05 | 638.26 |
| d | Short-term loans and advances | 7,322.01 | 4,196.23 | 3,511.94 |
| | | 179,025.10 | 130,411.92 | 156,422.58 |
| | Total | 181027.11 | 134,002.41 | 157,312.51 |

Abridged Statement of Profit and Loss
(₹ in Lakh)

| Particulars | For the year ended | For the year ended | For the year ended |
|---|--------------------|--------------------|--------------------|
| | March 31, 2017 | March 31, 2016 | March 31, 2015 |
| REVENUE FROM OPERATIONS | | | |
| Management and advisory fees | 14,436.38 | 8,124.24 | 11,743.44 |
| Recovery Incentive fees | 210.05 | 2,192.05 | 261.56 |
| Interest income on restructuring | 3,205.39 | 3,437.46 | 6,924.41 |
| Interest income on loans | 1,016.32 | 515.65 | 1,146.50 |
| Profit on redemption/sale of security receipts | 1,631.32 | 16,644.36 | 988.94 |
| Interest income on funded expenses | 102.80 | 36.40 | 51.78 |
| Earlier year provision w/back | 1,772.15 | 829.14 | 277.56 |
| Total | 22,374.41 | 31,779.31 | 21,394.19 |
| OTHER INCOME | | | |
| Interest income on fixed deposit | 8.11 | 116.02 | 37.13 |
| Other non-operating income | 3.42 | 7.31 | 3.80 |
| Total | 11.53 | 123.32 | 40.93 |
| Total Revenue | 22,385.94 | 31,902.63 | 21,435.12 |
| EXPENSES | | | |
| Employee benefits expense | 2,237.46 | 2,712.96 | 1,724.18 |
| Finance costs | 9,187.16 | 9,708.22 | 11,331.52 |
| Provision/write off for receivables, loans & investments | 1,323.42 | 2,520.43 | 921.18 |
| Depreciation and amortization expense | 119.96 | 109.21 | 53.15 |
| Other expenses | 1,138.74 | 1,013.06 | 1,397.72 |
| Total expenses | 14,006.74 | 16,063.88 | 15,427.75 |
| Profit before Tax | 8,379.21 | 15,838.75 | 6,007.37 |
| Tax expense | | | |
| Current tax | 3,463 | 5,714.00 | 2,327.00 |
| Deferred tax | (570.89) | (705.81) | 59.92 |
| Excess provision for tax in respect of earlier year (net) | - | (5.51) | - |
| | 2,892.11 | 5,002.68 | 2,386.92 |
| Profit after tax | 5,487.09 | 10,836.06 | 3,620.46 |

Abridged Statement of Cash flow
(₹ in Lakh)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|--|--|--|
| Cash flow from operating activities | | | |
| Profit before tax | 8,379.21 | 15,838.75 | 6,007.37 |
| Adjustment for: | | | |
| Depreciation | 119.96 | 109.21 | 53.15 |
| Loss on sale of fixed assets / written off | - | - | - |
| Write off /reversal of receivables and investments | - | 1282.16 | - |
| Provision for receivables and advances & loans | 1323.42 | 1238.27 | 921.18 |
| Earlier year provision on receivables/ advances w/back | (167.81) | (829.14) | (277.56) |
| Provision for loss on impairment of investments | - | - | - |
| Provision for gratuity | 19.65 | 17.74 | 9.00 |
| Provision for/(reversal of) compensated absences | 13.16 | 8.29 | 4.56 |
| Interest expense | 9187.16 | 9,708.22 | 11,331.52 |
| Operating profit before working capital changes | 18,874.73 | 27,373.49 | 18,049.23 |
| Adjustment for: | | | |
| (Increase)/decrease in trade receivables | (3,017.30) | 1,580.43 | (1541.83) |
| (Increase)/decrease in short-term loans and advances | (3,125.78) | (684.29) | (860.13) |
| Increase/(decrease) in trade payables | 65.59 | (3.51) | (11.82) |
| Increase/(decrease) in other current liabilities | 2052.09 | 700.16 | (12,675.98) |
| (Increase)/decrease in other bank balances | (6.86) | (68.80) | - |
| Cash generated from/(used in) operations | 14,842.48 | 43,713.68 | 2,983.11 |
| Direct taxes paid | (3,392.74) | (5,946.98) | (2,186.64) |
| Net cash from/(used in) operating activities | 11,449.73 | 37,766.69 | 796.47 |
| Cash flow from investing activities | | | |
| Purchase of current investments - Others | (49,156.83) | (35,265.66) | (97,231.38) |
| Sale/ redemption of current investments - Others | 8,240.80 | 58,693.83 | 9,574.01 |
| Purchase of fixed assets | (30.30) | (307.25) | (89.96) |

| | | | |
|---|--------------------|--------------------|--------------------|
| | | | |
| Sale of fixed assets | - | - | - |
| Bank balances not considered as Cash and cash equivalents | - | - | - |
| Net cash from/(used in) investment activities | (40,946.33) | 23,120.92 | (87,747.33) |
| Cash flow from financing activities | | | |
| Proceeds from long term loans and advances | - | - | - |
| Proceeds of equity contribution including premium | - | - | 5,000 |
| Share issue expenses | - | - | (5) |
| (Increase)/ decrease in other non-current assets | - | 828.87 | (278.36) |
| Increase/(decrease) in non-current liability | 295.00 | - | - |
| (Increase)/ decrease in long term loans and advances | 843.85 | (2,847.97) | 2,800.17 |
| Proceeds/(Repayment) from/of long-term borrowings | 15,986.58 | (12,265.56) | 47,293.12 |
| Repayment of short-term borrowings | - | (37,298.93) | - |
| Proceeds from short-term borrowings | - | - | 44,049.35 |
| Disbursement of secured loan | 23,105.53 | - | - |
| Interest paid | (9,187.16) | (9,708.22) | (11,331.52) |
| Net cash from/(used in) financing activities | 31,043.81 | (61,291.82) | 87,527.76 |
| Net increase/(decrease) in cash and cash equivalents | 1547.21 | (404.21) | 576.90 |
| Cash & cash equivalents (opening) | 165.26 | 638.27 | 61.37 |
| Cash & cash equivalents (closing) | 1712.47 | 234.05 | 638.27 |

As on March 31, 2017, the Gross Debt equity ratio of the Company was 2.01 (approximately) which is not expected to change materially post the issuance of NCDs since the proceeds may be utilised for repayment of existing borrowings. However, in case the proceeds are not utilised for repayment of existing borrowings immediately, the Gross Debt equity ratio shall be higher for a temporary period. *For the purpose of this calculation, Gross Debt includes aggregate of financial indebtedness of the Company (Secured Loan from bank, unsecured borrowings and secured working capital facilities only) and Gross Equity includes the equity share capital of the Company and the Reserves & Surplus. Further, unamortised interest on Commercial Papers have been considered as debt.*

iv. Project cost and means of financing, in case of funding new projects:

Not Applicable, the funds raised through issue of these NCDs will be utilised to meet the objects stated under the term sheet of this DD.

c. Brief history of the Issuer since its incorporation giving details of its following activities:

Brief History of the Company

The Company was incorporated on September 19, 2007 as a private limited company under the provisions of the Companies Act, 1956. The Company has become a subsidiary company of JM Financial Limited w.e.f. September 30, 2016 and hence become a public company pursuant to the provisions of Section 2(71) of the Companies Act, 2013. The name of the Company was changed to JM Financial Asset Reconstruction Company Limited w.e.f. April 12, 2017. The Company has obtained a certificate of registration dated September 23, 2008 bearing no. 11 issued by the Reserve Bank of India to carry on the business of asset reconstruction under the provisions of SARFAESI.

i. Details of Share Capital as on March 31, 2017:

| Share Capital | Particulars |
|---|---|
| Authorised Share Capital | ₹450 Crore divided into 30,00,00,000 Equity Shares of ₹10/- each and 15,00,00,000 Preference Shares of ₹10/- each |
| Issued, Subscribed and Paid up Share Capital | ₹241.25 Crore divided into 24,12,50,000 Equity Shares of ₹10/- each |

ii. Changes in its capital structure as on March 31, 2017:

The changes in Authorised Share Capital of the Company are as under:

| Date of change (Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM)) | In ₹ | Particulars |
|--|-----------|--|
| EGM held on September 30, 2014 | 450 Crore | Increase in authorised share capital of the Company from ₹260 Crore to ₹450 Crore divided into 30 Crore equity shares of ₹10/- each and 15 Crore preference shares of ₹10/- each |
| EGM held on April 28, 2014 | 260 Crore | Increase in authorised share capital of the Company from ₹210 Crore to ₹260 Crore divided into 26 Crore equity shares of ₹10/- each |
| EGM held on February 18, 2008 | 210 Crore | Increase in authorised share capital of the Company from ₹110 Crore divided into 10.50 Crore equity shares of ₹10/- each and 50 Lakh preference shares of ₹10/- each to ₹210 Crore divided into 21 Crore equity shares of ₹10/- each |
| EGM held on November 28, 2007 | 110 Crore | Increase in authorised share capital of the Company from ₹2 Crore divided into 20 Lakh equity shares of ₹10/- each to ₹110 Crore divided into 10.50 Crore equity shares of ₹10/- each and 50 Lakh preference shares of ₹10/- each |
| On incorporation (September 19, 2007) | 2 Crore | ₹2 Crore divided into 20 Lakh equity shares of ₹10/- each |

iii. Equity Share Capital History of the Company as on March 31, 2017:

The details of equity share capital raised by the Company up to March 31, 2017 are as under:

| Date of Allotment | No. of equity shares | Face value (₹) | Issue Price (₹) | Consideration (Cash, other than cash, etc.) | Nature of Allotment | Cumulative | | |
|-------------------|----------------------|----------------|-----------------|---|--|----------------------|--------------------------|--------------------------|
| | | | | | | No. of equity shares | Equity Share Capital (₹) | Equity Share premium (₹) |
| On incorporation | 10,000 | 10 | 10 | Cash | Allotment to Subscribers | 10,000 | 1,00,000 | Nil |
| December 20, 2007 | 1,99,90,000 | 10 | 10 | Cash | Preferential Allotment to JM Financial Limited | 2,00,00,000 | 20,00,00,000 | Nil |
| March 31, 2008 | 10,89,50,000 | 10 | 10 | Cash | Preferential Allotment to JM Financial Limited, Mr. Narotam Sekhsaria and RKBK Fiscal Services Pvt. Ltd. | 12,89,50,000 | 128,95,00,000 | Nil |
| May 5, 2008 | 4,85,00,000 | 10 | 10 | Cash | Preferential Allotment to Indian Overseas Bank, UCO Bank, Union Bank of India and Central Bank of India | 17,74,50,000 | 177,45,00,000 | Nil |
| March 4, 2010 | 3,25,50,000 | 10 | 10 | Cash | Preferential Allotment to JM Financial Limited and Valiant Mauritius Partners FDI Limited | 21,00,00,000 | 210,00,00,000 | Nil |
| October 27, 2014 | 3,12,50,000 | 10 | 16 | Cash | Rights Issue | 24,12,50,000 | 241,25,00,000 | 18,75,00,000 |

iv. Details of any Amalgamation in the last one year:

None

v. Details of any Reorganisation or Reconstruction in the last one year:

None

d. Details of the shareholding of the Company as on March 31, 2017:

i. Shareholding pattern of the Company:

| Name of the shareholder | Number of shares held | Percentage of shareholding as on Record date (%) |
|---|-----------------------|--|
| Sponsor Shareholders | | |
| JM Financial Limited (Principal Sponsor) | 12,06,50,000 | 50.01 |
| Mr. Narotam Sekhsaria | 3,61,87,500 | 15.00 |
| Radhakrishna Bimalkumar Private Limited | 1,20,62,500 | 5.00 |
| Non –Sponsor Shareholders | | |
| Indian Overseas Bank | 2,10,00,000 | 8.70 |
| UCO Bank | 1,14,88,095 | 4.76 |
| Union Bank of India | 1,00,00,000 | 4.15 |
| Central Bank of India | 75,00,000 | 3.11 |
| Valiant Mauritius Partners FDI Limited | 2,03,20,238 | 8.42 |
| JM Financial Group Employees' Welfare Trust | 20,41,667 | 0.85 |
| Total | 24,12,50,000 | 100.00 |

All shares are held in demat mode except 2,00,00,000 equity shares held by JM Financial Limited are held in physical form.

ii. List of top 10 holders of equity shares of the Company as on March 31, 2017:

The list of top 10 holders of equity shares of the Company is as under:

| Name of the shareholder | Number of shares held | Percentage of shareholding as on Record date (%) |
|--|-----------------------|--|
| Sponsor Shareholders | | |
| JM Financial Limited (Principal Sponsor) | 12,06,50,000 | 50.01 |
| Mr. Narotam Sekhsaria | 3,61,87,500 | 15.00 |
| Radhakrishna Bimalkumar Private Limited | 1,20,62,500 | 5.00 |
| Non –Sponsor Shareholders | | |
| Indian Overseas Bank | 2,10,00,000 | 8.70 |
| UCO Bank | 1,14,88,095 | 4.76 |
| Union Bank of India | 1,00,00,000 | 4.15 |
| Central Bank of India | 75,00,000 | 3.11 |

| | | |
|---|---------------------|---------------|
| Valiant Mauritius Partners FDI Limited | 2,03,20,238 | 8.42 |
| JM Financial Group Employees' Welfare Trust | 20,41,667 | 0.85 |
| Total | 24,12,50,000 | 100.00 |

All shares are held in demat mode except 2,00,00,000 equity shares held by JM Financial Limited are held in physical form.

e. Following details regarding the directors of the Company:

i. Details of the current directors of the Company:

| Sr. No. | Name, Designation in the Company, Occupation | DIN | Age | Address | Director of the Company since |
|---------|---|----------|-----|---|-------------------------------|
| 1. | Mr. V P Shetty, Executive Chairman Occupation: Service | 00021773 | 70 | Ansai Heights, B-1802, 18th Floor, G.M. Bhosale Marg, Worli Naka, Worli, Mumbai – 400018 | November 28, 2007 |
| 2. | Mr. Narotam Sekhsaria, Non - Executive Director Occupation: Business | 00276351 | 67 | Bhagwati Bhavan, 31 B, Carmichael Road, Behind Jaslok Hospital, Cumballa Hill Mumbai – 400026 | April 10, 2008 |
| 3. | Mr. Hoshang N Sinor, Non-Executive & Independent Director Occupation / Line of business: Finance | 00074905 | 72 | 764-F, Sarosh Court, Tilak Road, Dadar, Mumbai - 400014 | April 10, 2008 |
| 4. | Mr. G M Ramamurthy, Non-Executive & Independent Director Occupation: Professional | 00064358 | 70 | Flat No.1, Newry Shobhika, 3,Chinnaiah Street, T-Nagar, Chennai -600017 | April 10, 2008 |
| 5. | Mr. Shailesh Haribhakti, Non-Executive & Independent Director Occupation: Professional | 00007347 | 61 | 10 & 11 Sahil Apartment, S K Barodawala Road, 14 Altamount Road, Cumballa Hill, Mumbai – 400026 | September 15, 2008 |
| 6. | Dr. Anil Khandelwal, Non-Executive & Independent Director Occupation: Banking & Finance | 00005619 | 69 | 184/B, Kalpataru Horizon Chs Ltd,, S K Ahire Marg, Worli, Mumbai - 400018 | September 11, 2013 |
| 7. | Mr. Pulkit Sekhsaria, Non - Executive Director Occupation: Business | 00046409 | 45 | Flat no. 2, Kamal Mahal 17, M.L. Dahanukar Marg , Mumbai 400026 | November 26, 2014 |
| 8. | Ms. Rupa Vora Non - Executive & Independent Director Occupation: Professional | 01831916 | 55 | 8, Hyde Park 227 Sher E Punjab Soc, Mahakali Caves Road, Mumbai – 400093 | March 31, 2015 |

| Sr. No. | Name, Designation in the Company, Occupation | DIN | Age | Address | Director of the Company since |
|---------|--|----------|-----|--|-------------------------------|
| 9. | Mr. Anil Bhatia, Managing Director and CEO Occupation: Service | 01310959 | 51 | 1, Neelima, 12 th Road, Near Ram Krishna Mission, Khar West, Mumbai – 400 052 | September 19, 2007 |

To the best of the Company's knowledge and belief, none of the Directors are presently appearing in the RBI's defaulter list in their individual capacity. However Directors who are/ were Independent directors on the board of other companies declared as willful defaulter has not been considered for this purpose.

Details of other directorship of the directors of the Company:

| Sr. No. | Name of the Director | Details of other directorship |
|---------|-------------------------|---|
| 1. | Mr. V P Shetty | JM Financial Asset Management Ltd. JM Financial Products Limited JM Financial Credit Solutions Limited Hotel Leelaventure Limited JM Financial Home Loans Limited |
| 2. | Mr. Narotam Sekhsaria | ACC Limited Ambuja Cements Limited Radha Madhav Investments Limited Ambuja Cement Foundation Narotam Sekhsaria Foundation |
| 3. | Mr. Hoshang N Sinor | ICICI Venture Funds Management Co. Ltd. Tata Investment Corporation Limited Tata Motors Finance Limited CRISIL Limited Themis Medicare Limited Cosmos Films Limited Sheba Properties Limited |
| 4. | Mr. G M Ramamurthy | JM Financial Asset Management Limited |
| 5. | Mr. Shailesh Haribhakti | Torrent Pharmaceuticals Limited L&T Finance Holdings Limited Future Lifestyle Fashions Limited Blue Star Limited Mahindra Lifespaces Developers Limited NSDL e-Governance Infrastructure Limited Ambuja Cements Limited ACC Limited Karam Chand Thapar & Bros. (Coal Sales) Limited Baker Tilly DHC Private Limited Quadrum Solutions Private Limited Reliance Infrastructure Consulting & Engineers Pvt. Ltd. Reliance Infradevelopment Private Limited Reliance Wind Turbine Installators Industries Private Limited Gaja Trustee Company Private Limited MentorCap Management Pvt. Ltd. Haribhakti Moti India Pvt. Ltd. Planet People & Profit Consulting Pvt. Ltd. |

| Sr. No. | Name of the Director | Details of other directorship |
|---------|----------------------|--|
| 6. | Dr. Anil Khandelwal | Anugyan Consulting Private Limited BPF Bank (Mauritius) |
| 7. | Mr. Pulkit Sekhsaria | Satyanarayan Sekhsaria Private Limited Indus Securities Limited |
| 8. | Ms. Rupa Vora | SS Inclusive Development Finance Private Limited SS Human Development Foundation Volkswagen Finance Private Limited New Consolidated Construction Company Limited Capacite Infra Projects Limited Advanced Enzyme Technologies Limited Cravatex Brands Limited |
| 9. | Mr. Anil Bhatia | Hotel Leelaventure Limited JM Financial Investment Managers Limited |

ii. Details of change in directors since last three years:

| Sr. No. | Name and Designation | DIN | Date of Appointment / Resignation | Director of the Company since (in case of resignation) | Remarks |
|---------|--------------------------|----------|---|--|--|
| 1. | Mr. S. H. Khan | 00006170 | January 12, 2016 (Date of Cessation) | April 10, 2008 (Date of appointment) | Cessation due to Death |
| 2. | Ms. Rupa Vora | 01831916 | March 31, 2015 (Date of appointment) | - | Appointed as Independent Director |
| 3. | Mr. Pulkit Sekhsaria | 00046409 | November 26, 2014 (Date of appointment) | - | Appointed as Nominee Director |
| 4. | Mr. A M Venkatesa Prasad | 06399404 | October 27, 2014 (Date of Cessation) | September 11, 2013 (Date of appointment) | Change in sponsorship status of Indian Overseas Bank (from Sponsor to Non-Sponsor) and thereby lost its right to nominate director |
| 5. | Mr. Suresh Kumar Neotia | 00152016 | May 15, 2014 (Date of Cessation) | April 10, 2008 (Date of appointment) | Resigned as a Director |
| 6. | Mr. Rabindra Behera | 05298483 | September 11, 2013 (Date of Cessation) | May 11, 2012 (Date of appointment) | Change in Nominee by Indian Overseas Bank |
| 7. | Dr. Anil Khandelwal | 00005619 | September 11, 2013 (Date of appointment) | - | Appointed as Independent Director |

| Sr. No. | Name and Designation | DIN | Date of Appointment / Resignation | Director of the Company since (in case of resignation) | Remarks |
|---------|----------------------|----------|---------------------------------------|--|------------------------|
| 8. | Mr. Sunil B Mathur | 00013239 | March 31, 2013 (Date of Cessation) | April 10, 2008 (Date of appointment) | Resigned as a Director |

f. Following details regarding the auditors of the Company:

i. Details of the auditor of the Company:

| Name | Address | Auditor since |
|----------------------------|--|---------------------|
| M/s. Khimji Kunverji & Co. | Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013 | October 16, 2007 |

ii. Details of change in auditor since last three years:

None

g. Details of Borrowings of the Company, as on March 31, 2017:

i. Details of Secured Loan Facilities as on March 31, 2017:

| Lender's Name | Type of Facility | Amount Sanctioned (₹ in Crore) | Principal Amount Outstanding (₹ in Crore) | Repayment Date / Schedule | Security |
|--|------------------|--------------------------------|---|---------------------------|--|
| HDFC Mutual Fund | NCD | - | 50.00 | June 12, 2017 | Secured by way of hypothecation of security receipts |
| HDFC Mutual Fund | NCD | - | 20.00 | October 26, 2017 | Secured by way of hypothecation of security receipts |
| HDFC Mutual Fund | NCD | - | 30.00 | December 11, 2017 | Secured by way of hypothecation of security receipts |
| HDFC Mutual Fund | NCD | - | 50.00 | April 25, 2018 | Secured by way of hypothecation of security receipts |
| DSP Blackrock Short Term Fund | NCD | - | 100.00 | September 04, 2017 | Secured by way of hypothecation of security receipts |
| JM Financial Limited | NCD | - | 70.00 | September 23, 2019 | Secured by way of hypothecation of security receipts |
| Siddhesh Capital Market Services Pvt Ltd | NCD | - | 15.00 | September 23, 2019 | Secured by way of hypothecation of security receipts |
| Indian Overseas Bank | NCD | - | 10.00 | September 23, | Secured by way of |

| | | | | | |
|--|--------------------------|--------|-------|--------------------|--|
| | | | | 2019 | hypothecation of security receipts |
| Ganesh Realty Malls & Development Pvt. Ltd | NCD | - | 5.00 | September 23, 2019 | Secured by way of hypothecation of security receipts |
| IDBI Bank Ltd | Working Capital Facility | 120.00 | - | | Secured by way of pledge of investments in security receipts |
| Ratnakar Bank Ltd | Working Capital Facility | 125.00 | 91.15 | | Secured by way of pledge of investments in security receipts |
| Indian Overseas Bank | Working Capital Facility | 100.00 | 66.47 | | Secured by way of pledge of investments in security receipts |
| UCO Bank | Working Capital Facility | 25.00 | - | | Secured by way of pledge of investments in security receipts |

Repayment schedule of secured loans from banks

| Lenders name | Repayment date | Amount (₹ in Crore) |
|--------------|----------------|---------------------|
| NIL | | |

ii. Details of Unsecured Loan Facilities (Inter Corporate Loans) as on March 31, 2017:

| Lender's Name | Type of Facility | Principal Amount Outstanding (₹ in Crore) | Repayment Date / Schedule |
|------------------|----------------------|---|---------------------------|
| JM Financial Ltd | Inter-corporate loan | 1.65 | April 11, 2017 |
| JM Financial Ltd | Inter-corporate loan | 5.60 | April 27, 2017 |
| JM Financial Ltd | Inter-corporate loan | 46.69 | May 25, 2017 |
| JM Financial Ltd | Inter-corporate loan | 46.41 | June 20, 2017 |
| Total | | 100.35 | |

iii. Details of Non-Convertible Debentures as on March 31, 2017:

| Debenture Series | Tenor/ Period of maturity | Coupon | Amount (₹ in Crore) | Date Allotment | of Redemption | Credit rating | Secured/ unsecured | Security |
|------------------|---------------------------|--------|---------------------|-------------------|-------------------|---------------|--------------------|---|
| Tranche II | 3 years | 12% | 75.00 | September 3, 2014 | September 4, 2017 | ICRA AA- | Secured | Secured by way of hypothecation of security |
| Tranche II | 3 years | 12% | 25.00 | September 3, 2014 | September 4, 2017 | | | |
| Rights issue | 5 years | 13% | 5.00 | September 22, | September | | | |

| | | | | | | | | |
|-------------------------|-----------|-------|--------|--------------------|--------------------|--|--|----------|
| | | | | 2014 | 23, 2019 | | | receipts |
| Rights issue | 5 years | 13% | 70.00 | September 22, 2014 | September 23, 2019 | | | |
| Rights issue | 5 years | 13% | 10.00 | September 22, 2014 | September 23, 2019 | | | |
| Rights issue | 5 years | 13% | 15.00 | September 22, 2014 | September 23, 2019 | | | |
| Tranche III- (Option A) | 976 days | 12% | 50.00 | October 10, 2014 | June 12, 2017 | | | |
| Tranche III- (Option B) | 1112 days | 12% | 2.00 | October 10, 2014 | October 26, 2017 | | | |
| Tranche III- (Option B) | 1112 days | 12% | 18.00 | October 10, 2014 | October 26, 2017 | | | |
| Tranche III- (Option C) | 1158 days | 12% | 30.00 | October 10, 2014 | December 11, 2017 | | | |
| Tranche IV | 1177 days | 0.00% | 50.00 | February 3, 2015 | April 25, 2018 | | | |
| Tranche V – Option A | 1208 days | 9.50% | 100.00 | December 27, 2016 | April 20, 2020 | | | |
| Tranche V – Option B | 1226 days | 9.50% | 50.00 | December 27, 2016 | May 08, 2020 | | | |
| Tranche VI | 730 days | 9.40% | 40.00 | February 27, 2017 | February 27, 2019 | | | |

iv. List of top 10 Debenture Holders as on March 31, 2017:

| Lender's Name | Type of Facility | Principal Amount Outstanding (₹ in Crore) | Repayment Date / Schedule |
|--|-------------------------|--|----------------------------------|
| DSP Blackrock Income Opportunities Fund | NCD | 75.00 | September 4, 2017 |
| JM Financial Limited | NCD | 70.00 | September 23, 2019 |
| HDFC Trustee Co Ltd A/C HDFC Corporate Debt Opportunities Fund | NCD | 50.00 | June 12, 2017 |
| HDFC Trustee Co Ltd A/C HDFC FMP 1184D January 2015 (1) | NCD | 50.00 | April 25, 2018 |
| HDFC Trustee Co Ltd A/C HDFC Corporate Debt Opportunities Fund | NCD | 30.00 | December 11, 2017 |
| DSP Blackrock Money Manager Fund | NCD | 25.00 | September 4, 2017 |
| HDFC Trustee Co.Ltd A/C HDFC FMP 1178D February 2017 (1) | NCD | 24.60 | April 20, 2020 |
| HDFC Trustee Co Ltd A/C HDFC FMP 1213D March 2017 | NCD | 21.60 | May 8, 2020 |
| HDFC Trustee Co Ltd A/C HDFC FMP 1218D December 2016 (1) | NCD | 21.50 | May 8, 2020 |
| HDFC Trustee Co. Ltd A/C HDFC FMP 1188D March 2017 | NCD | 21.50 | April 20, 2020 |
| Total | | 389.20 | |

v. The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc.) on behalf of whom it has been issued:

None

vi. Details of Commercial Paper:

The total Face Value of Commercial Papers Outstanding as on March 31, 2017 and its breakup are as follows:

| Name of the Commercial Paper holder | Maturity Date | Amount Outstanding (Face Value) (₹ in Crore) |
|--|----------------------|---|
| Kotak Mutual Fund | 17-04-2017 | 45.00 |
| Franklin Templeton Fund | 24-04-2017 | 50.00 |
| Franklin Templeton Fund | 02-05-2017 | 50.00 |
| Tata Mutual Fund | 12-05-2017 | 50.00 |
| UTI Mutual Fund | 25-05-2017 | 20.00 |
| BOI AXA Mutual Fund | 31-05-2017 | 50.00 |
| Union Bank of India | 22-12-2017 | 100.00 |
| Total | | 365.00 |

vii. Details of rest of the borrowing (if any including hybrid debt like FCCB, optionally convertible debentures/preference shares) as on March 31, 2017:

None

viii. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years:

None

ix. Details of any outstanding borrowings taken/ debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or in part, (ii) at a premium or discount, or (iii) in pursuance of an option:

None

h. Details of Sponsor of the Company / management:

JM Financial Limited, Mr. Narotam Sekhsaria and Radhakrishna Bimalkumar Private Limited are the Sponsors of the Company.

Details of Sponsor's holding in the Company:

| Sr. No. | Name of the shareholders | Total no. of Equity shares | % of total no. of equity shares |
|----------------|---|-----------------------------------|--|
| 1. | JM Financial Limited (Principal Sponsor) | 12,06,50,000 | 50.01 |

| | | | |
|----|---|-------------|-------|
| 2. | Mr. Narotam Sekhsaria | 3,61,87,500 | 15.00 |
| 3. | Radhakrishna Bimalkumar Private Limited | 1,20,62,500 | 5.00 |

All shares are held in demat mode except 2,00,00,000 equity shares held by JM Financial Limited are held in physical form. No shares have been pledged by the above sponsors.

Key management of the Company

| | | |
|------------------------------|---|---|
| Mr. V P Shetty | - | Executive Chairman |
| Mr. Anil Bhatia | - | Managing Director and Chief Executive Officer |
| Mr. Vivek Grover | - | Chief Operating Officer |
| Mr. Harish Kumar Lalchandani | - | Head - Legal |
| Mr. Sabyasachi Ray | - | Chief Financial Officer |
| Mr. Nikhil Bhandary | - | Company Secretary |

i. & j. Abridged version of audited financial information for the last three years:

As provided under A.b.iii above. There was no auditors' qualification during the previous three years.

k. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities:

Save as stated elsewhere in this DD, since the date of the last published audited financial accounts, to the best of the Company's knowledge and belief, no material developments have taken place that will materially affect the performance or prospects of the Company.

l. Name of the Debenture Trustee:

The Company has appointed Vistra ITCL (India) Limited as the Debenture Trustee for the Issue. The address and contact details of the Debenture Trustee are as under:

Vistra ITCL (India) Limited

The IL&FS Financial Centre, Plot C-22, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051

Tel: +91 22 2659 3042; Fax: +91 22 2653 3297

E-mail: vihang.chavan@vistra.com

Website: www.vistraitcl.com

Contact Person: Mr. Vihang Chavan

Vistra ITCL (India) Limited has given its consent to the Company vide letter dated June 28, 2017 under the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Companies Act, 2013 to be appointed as the Debenture Trustee for this Issue.

All the rights and remedies of the Debenture Holders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debenture Holders (other than to the extent as will be set out in the relevant Debenture Trust Deed(s)). All Debenture Holders shall without any further act or deed be deemed to have irrevocably given their authority and consent to Vistra ITCL (India) Limited to act as their Debenture Trustee and authorized the Debenture Trustee or any of its agents or authorised officials to do, inter alia, acts, deeds and things necessary in respect of or relating to their duty in such capacity including accepting the security to be created by the Company in terms of this DD. No Debenture Holder shall be entitled to proceed directly against the Company unless the Debenture Trustee having become so bound to proceed, fails to do so.

Any payment by the Company to the Debenture Trustee on behalf of the Debenture Holders shall discharge the Company pro tanto to the Debenture Holders. The Debenture Trustee shall carry out its duties and shall perform its functions as per the SEBI Regulations, the Companies Act, 2013 and this DD, with due care, diligence and loyalty. Resignation/retirement of the Debenture Trustee shall be as per terms of the Debenture trust deed(s) entered into between the Company and the Debenture Trustee and a notice in writing to the Debenture Holders shall be provided for the same.

The Debenture Trustee will protect the interest of the Debenture Holders on the occurrence of an event of default by the Company in regard to timely payment of interest and repayment of principal and it will take necessary action at the Company's cost as provided in the Debenture Trust Deed.

m. The detailed rating rationale(s) adopted / credit rating letter issued by the rating agencies shall be disclosed:

ICRA Limited has assigned "PP-MLD [ICRA] AA -" (pronounced "P P M L D ICRA Double A minus rating" with stable outlook) rating to the captioned Issue. As per ICRA's rating letter, instruments with this rating are considered to have high degree of safety regarding timely payment of financial obligations and such instruments carry very low credit risk. Investors may please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The Rating Agency has the right to suspend, withdraw or revise the rating / outlook assigned to the Issue at any time, on the basis of new information or unavailability of information or other circumstances which the Rating Agency believes may have an impact on the rating.

A copy of the ICRA rating letter is enclosed as Annexure A.

n. Details/Copy of Guarantee or Letter of Comfort or any other Document / Letter with similar intent, if any:

None

o. Copy of Consent Letter from the Trustee:

A copy of the consent letter of Vistra ITCL (India) Limited dated June 28, 2017 is enclosed as Annexure B.

p. Name of the recognised stock exchange where the debt securities are proposed to be listed clearly indicating the designated stock exchange:

BSE will be the designated stock exchange for the Issue. NCDs will be listed on the wholesale debt market segment of BSE.

The Company shall forward the listing application to BSE within 15 days from the date of allotment(s).

In case of delay in listing of the NCDs beyond 20 days from the date of allotment, the Company will pay penal interest, of 1 % p.a. over the interest/coupon rate from the expiry of 30 days from the date of allotment till the listing of such NCDs to the investor.

q. Other Details:

i. Debenture Redemption Reserve:

Debenture Redemption Reserve, if any, required under the applicable provisions of the Companies Act, 2013 will be created by the Company.

ii. Issue/instrument specific regulations:

The Debentures are governed by and will be construed in accordance with the Indian laws. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the provisions of the Companies Act, 2013, regulations/guidelines/directions of RBI, SEBI and stock exchanges and other applicable laws and regulations from time to time. The Debenture-holders, by purchasing the Debentures, agree that the courts in Mumbai shall have exclusive jurisdiction with respect to any matters relating to the Debentures.

Further, the said Debentures shall be subject to the terms and conditions as contained in the application form, Disclosure Document, Disclosure document, Debenture Trust Deed, Debenture Trustee Appointment Agreement and other Transaction / Security documents.

iii. Application Process:

How to Apply

Applications for the NCDs must be made in the prescribed Application Form as provided by the Company and must be completed by the investors. Application Form must be accompanied by either a demand draft or cheque drawn or made payable in favour of "JM Financial Asset Reconstruction Company Limited" only and should be crossed "Account Payee only". Demand Draft(s)/ cheque(s) may be drawn on any bank including a co-operative bank, which is a member or sub-member of the Banker's clearing house located at Mumbai.

In case the payment is made through any electronic mode of payment such as RTGS / NEFT, the funds have to be credited to the Company's current account, the details of which are provided in the Application Form.

It may be noted that payment by any other means shall not be accepted. The Company assumes no responsibility for any applications/cheques/demand drafts lost in mail or in transit or any failure of electronic fund transfer.

Who can apply

Nothing in this DD shall constitute and/or deem to constitute an offer or an invitation to offer, to be made to the public or any section thereof through this DD and this DD and its contents should not be construed to be a prospectus under the Companies Act. This issue is a domestic issue and is being made in India only. This DD and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Company and only such recipients are eligible to apply for the NCDs. The categories of investors eligible to subscribe to the NCDs in this issue, when addressed directly, inter-alia include the following:

- a. Banks;
- b. Financial Institutions;
- c. Non-Banking Financial Companies;
- d. Companies;
- e. Mutual Funds;
- f. Insurance Companies;
- g. Provident Funds, Gratuity, Superannuation and Pension Funds, subject to their investment guidelines; and
- h. Individuals
- i. Hindu Undivided Family (HUF)
- j. any other eligible investor authorized to invest in the Debentures.

All investors are required to check and comply with applicable laws including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of NCDs and the Company, is not

in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.

Although above investors are eligible to apply however only those investors, who are individually addressed through direct communication by the Company, are eligible to apply for the Debentures. No other person may apply. Hosting of DD on the website of the BSE should not be construed as an offer or an invitation to offer to subscribe to the NCDs and the same has been hosted only as it is stipulated by the SEBI Regulations. Investors should check their eligibility before making any investment.

Submission of Documents

Investors should submit the following documents, wherever applicable:

- a. Memorandum and Articles of Association/Documents governing constitution, in case of other than individuals;
- b. Government notification/certificate of incorporation;
- c. SEBI registration certificate, if applicable;
- d. Resolution authorizing investment along with operating instructions;
- e. Power of Attorney (original & certified true copy);
- f. Specimen signatures of authorised persons;
- g. Certified true copy of PAN card;
- h. Registered / communication address;
- i. KYC of the signatories (Identity and address proof);
- j. Any other document sought by the Company, from time to time.

The list of documents required to be provided by an investor as mentioned above is only indicative and an investor will be required to provide all additional documents / authorizations / information, which may be required by the Company. The Company may, but is not bound to revert to any investor for any additional documents / information and can accept or reject an application as it deems fit, without assigning any reasons.

Submission of completed Application Form

All applications duly completed accompanied by fund transfer instrument / fund transfer instructions from the respective investor's account to the account of the Company, shall be submitted at the Registered Office of the Company.

Applications under Power of Attorney / Relevant Authority

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate or Registered Society or Mutual Fund, and scientific and/or industrial research organisations or Trusts etc., the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's office where the application has been submitted failing which the applications are liable to be rejected.

Application by Mutual Funds

In case of applications by Mutual Funds registered with SEBI, a separate application must be made in respect of each scheme of the Mutual Fund and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustee/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

Right to Accept or Reject Applications

The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason thereof. Application Forms that are not complete in all respects may be rejected at the sole and absolute discretion of the Company. Any application, which has been rejected, would be intimated by the Company along with the refund warrant.

Debentures in Dematerialised mode

The Company will make allotment of NCDs to investors in due course after verification of the application form, the accompanying documents and on realization of the application money. The allotted NCDs will be credited in dematerialized form within 2 (two) business days from the date of allotment. The Depository Participant's name, DPID and beneficiary account number must be mentioned at the appropriate place in the Application Form.

Notwithstanding the foregoing, investors have the option to seek rematerialisation of NCDs (i.e. investors shall have the right to hold the NCDs in physical form) at any time in the future.

B. ISSUE DETAILS

The Company proposes to issue up to 150 Secured, Rated, Listed, Redeemable, Principal Protected Market Linked Non-Convertible Debentures of the face value of ₹10,00,000 (Rupees Ten Lakh only) each for cash aggregating upto ₹ 15,00,00,000/- (Rupees Fifteen Crore only) on a private placement basis in two options.

Pursuant to a resolution passed by the Company's shareholders at their meeting held on July 19, 2016 in accordance with provisions of the Companies Act, 2013, the Board has been authorised to borrow, for the purpose of the Company, upon such terms and conditions as the Board may think fit for amounts up to ₹ 1,000 Crore. The present issue of NCDs in terms of this Disclosure Document is within the overall powers of the Board as per the above resolution.

This present issue of NCDs is being made pursuant to the resolution of the Board of Directors passed at its meeting held on May 10, 2016, which has approved the issue of the Non-Convertible Debentures of up to ₹ 1,000 Crore.

The following is a summary of the terms of the Issue.

SUMMARY TERM SHEET

Private placement of up to 150 Secured, Rated, Listed, Redeemable, Principal Protected Market Linked Non-Convertible Debentures ("Debentures" or "NCDs") of the face value of ₹ 10,00,000/- (Rupees Ten Lakh only) each for cash aggregating up to ₹ 15,00,00,000/- (Rupees Fifteen Crore only) divided into 2 (Two) options viz., Option A NCDs amounting ₹ 10,00,00,000/- (Rupees Ten Crore only) and Option B NCDs amounting ₹ 5,00,00,000/- (Rupees Five Crore only).

| | |
|----------------------------|---|
| Issuer | JM Financial Asset Reconstruction Company Limited |
| Underlying/Reference Index | 10 year Government security price (Issue date May 15, 2017) Bloomberg Ticker - IGB 6.79 15/05/27 Corp (Bloomberg ID – AN5281539, Pricing source – Reserve Bank of India) |
| Arranger | ASK Wealth Advisors Private Limited |
| Type of Instrument | Secured, Rated, Listed, Redeemable, Principal Protected Market Linked Non-Convertible Debentures |
| Nature of Instrument | Secured |
| Seniority | Senior |
| Mode of Issue | Private placement |
| Eligible Investors | Please refer paragraph "Who can apply" of the Disclosure Document. |
| Listing | <p>The NCDs are proposed to be listed on WDM segment of BSE Limited. BSE has given its in-principle approval to list the NCDs to be issued and allotted in terms of the DD vide its letter dated June 29, 2017.</p> <p>The Company shall forward the listing application to the BSE Limited along with the applicable disclosures within 15 days from the deemed date of allotment of NCDs.</p> <p>In case of delay in listing of the VIII NCDs beyond 20 days from the deemed date of allotment, the Company will pay penal interest, of 1% p.a. over the interest/coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such NCDs.</p> |
| Rating of the Instrument | ICRA Limited has assigned a rating of "PP-MLD [ICRA] AA -" with "Stable" outlook to the NCD issue programme of the Company. Instruments with this rating are considered to have high degree of |

| | |
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| | safety regarding timely payment of financial obligations. Such instruments carry very low credit risk. |
| Valuation agency | <p>ICRA Limited</p> <p>The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency at https://www.icra.in/mld-valuations.aspx</p> <p>The Issuer will also make available, as soon as practicable, the valuation provided by the Valuation Agency on the website of the Issuer at https://www.jmfinancialarc.com/</p> <p>The cost of valuation shall be in the range of 0.01% to 1.00% of issue size and shall be borne by the Issuer.</p> <p>The latest and historical valuations for these Debentures/NCDs will be published on the website of the Issuer at https://www.jmfinancialarc.com/ and the website of the Valuation Agency at https://www.icra.in/mld-valuations.aspx.</p> <p>Upon request by any Debenture/NCD Holder for the valuation of these Debentures/NCDs, the Issuer shall provide them with the latest valuation.</p> |
| Option to retain oversubscription (Amount) | Not Applicable |
| Objects of the Issue | The object of the Issue is to augment the long term resources of the Company and to increase the average maturity period of its borrowings. |
| Details of the utilization of the Proceeds | The proceeds of the Issue would be utilised to meet working capital requirements of the Company including repayment / pre-payment, in full or in part, of certain loans availed by the Company in its ordinary course of business, finance the acquisition of financial assets to be acquired by the Company's and for general corporate purposes. |
| Interest/Coupon Rate | Minimum: 8.70% p.a. (annualised return calculated on XIRR basis), Maximum: 8.75% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid. |
| Payoff | <p>If IGB 6.79 15/05/27 Corp price on final observation date \geq 100% of Digital level, then Payoff = Principal + Maximum Coupon</p> <p>OR</p> <p>If IGB 6.79 15/05/27 Corp price on final observation date $<$ 100% of Digital level, then Payoff = Principal + Minimum Coupon.</p> |
| Digital level | 100% of IGB 6.79 15/05/27 Corp price at Initial Observation Date. |
| Step Up/Step Down Coupon Rate | None |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.) | None |
| Day Count Basis | Actual |
| Interest on Application Money | Not Applicable |

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| Default Interest Rate | In case of default in payment of principal redemption on the due dates, additional interest @ 2% p.a. over the applicable interest / coupon rate will be payable by the Company for the defaulting period. |
| Initial level | Closing price of 10 year Government security price (Issue date May 15, 2017) on Initial Observation Date Bloomberg Ticker - IGB 6.79 15/05/27 Corp (Bloomberg ID – AN5281539, Pricing source – Reserve Bank of India) |
| Initial Observation Date | June 30, 2017 |
| Final Level | Closing price of 10 year Government security price (Issue date May 15, 2027) on Final Observation Date Bloomberg Ticker - IGB 6.79 15/05/27 Corp (Bloomberg ID – AN5281539, Pricing source – Reserve Bank of India) |
| Final Observation Date | Jun 27, 2019 |
| Issue Price | Rs. 10,00,000/- (Rs. Ten Lakh only) per Tranche VIII NCDs |
| Discount | Not Applicable |
| Contingent Early Redemption Date | Nil |
| Face Value | Rs. 10,00,000/- (Rs. Ten Lakh only) per NCD |
| Minimum Application and in multiples of Debt securities thereafter | Minimum 3 Debenture and in multiples of 1 thereafter |
| Issue Timing 1. Issue Opening Date 2. Issue Closing Date 3. Pay-in Date 4. Deemed Date of Allotment | June 30, 2017 June 30, 2017 June 30, 2017 June 30, 2017 |
| Issuance mode of the Instrument | Demat only |
| Trading mode of the Instrument | Demat only |
| Settlement mode of the Instrument | Cheque / Demand Draft / NEFT / RTGS / other permitted mechanisms |
| Depository(ies) | NSDL and/or CDSL |
| Business Day Convention | Any day of the week excluding Saturdays, Sundays and any other day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai and any other day on which banks are closed for customer business in Mumbai, India. |
| Record Date | 15 days prior to Redemption Date |
| Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security) and Ranking of Security. | The NCDs being issued under this Disclosure Document shall be secured by way of a Mortgage on first ranking pari passu basis on the immovable property and Hypothecation on first exclusive basis on the movable property including Security Receipts (SRs) and other receivables of the Company. The Company may provide or cause to be provided (without being obliged to) such further security for securing its obligations in respect of the Debentures as may be decided by the Company. The Security Cover for NCDs under this Issue shall be as per Note 2. |

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| Transaction Documents | <p>Disclosure Document, Debenture Trust Deed, Debenture Trustee Appointment Agreement, Deed of Hypothecation (if required/applicable) and any other document that may be designated by the Debenture Trustee as a Transaction Document.</p> <p>Debenture Trust Deed would prevail over other transaction document(s) in case of inconsistency.</p> |
| Conditions Precedent to Disbursement | As mentioned in the debenture trust deed. |
| Condition Subsequent to Disbursement | As mentioned in the debenture trust deed. |
| Events of Default | As per the Note 4 below. |
| Provisions related to Cross Default Clause | As mentioned in the debenture trust deed, if any. |
| Role and Responsibilities of Debenture Trustee | As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulation, 2008, the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations as amended from time to time. |
| Governing Law and Jurisdiction | The Debentures are governed by and will be construed in accordance with the Indian Law. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the provisions of the Companies Act, regulations/guidelines/directions of RBI, SEBI and Stock Exchanges and other applicable laws and regulations from time to time. The Debenture-holders, by purchasing the Debentures, agree that the courts in Mumbai shall have exclusive jurisdiction with respect to any matters relating to the Debentures. |
| Registrar and Transfer Agents | Karvy Computershare Private Limited |
| Trustees | Vistra ITCL (India) Limited |
| Placement Fee | For each of this Debentures/NCDs applied for, a Placement Fee of upto 0.4000% p.a. of the Issue Price may be payable to the Distributor (if any) by the Issuer over and above the Issue Price. Note: For the avoidance of doubt such Placement Fee is not and should not be construed as payment of commission as mentioned under Section 40 of the Act and the rules made thereunder. |
| Early Redemption | If, for reasons beyond the control of the Company, the performance of the Company's obligations under this Issue is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Company, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Company may at its discretion and without obligation to do so, redeem and/or arrange for the purchase of all but not some of the Debentures/NCDs, by giving notice of not less than 5 (five) Business Days to the Debenture Holders which notice shall be irrevocable and shall specify the date upon which the Debentures/NCDs shall be redeemed (such date on which the Debentures/NCDs become immediately due and payable, the "Early Redemption Date"). Provided however if the Company believes or is advised that it is necessary to only redeem and/or arrange for the purchase of the Debentures/NCDs held by only certain class of Debenture Holders to overcome or mitigate any such force majeure, then the Company |

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| | may without obligation to do so, redeem and/or arrange for the purchase of only such number of the Debentures/NCDs actually held by such class of Debenture Holders at the relevant time. If the Debentures/NCDs are bought by the Company, the Company will, if and to the extent permitted by applicable law, pay to each Debenture Holder in respect of each of the Debentures/NCDs held by such Debenture Holder an amount equal to the Early Redemption Amount of a Debenture notwithstanding the illegality or impracticability, as determined by the Company in its sole and absolute discretion. Early Redemption Amount means fair market value minus associated costs. |
| Premature Exit | At the request of an Investor, the Company shall at its discretion and without being obliged to do so, arrange for the buyback ("Premature Exit") of such number of Debentures as the Investor shall request. Such Premature Exit shall occur at a price: (a) which shall take into consideration the market value of the Debentures, all costs incurred by the Company (including costs of unwinding any hedge); and (b) the price computed under (a) above shall be further reduced by such amount not exceeding 10.00% of the face value of the Debentures/NCDs to be determined by the Company at its sole discretion. A request for Premature Exit by an Investor shall not be considered if made within 12 (twelve) months from the Deemed Date of Allotment. |
| Calculation Agent | ASK Wealth Advisors Private Limited or any person duly appointed by the Company |

Specific terms of each Option:

| | Option A | Option B |
|--|-----------------------------------|-----------------------------------|
| Security Name | 0% JMFARC 27.09.2019 | 0 % JMFARC 07.10.2019 |
| Number of Debentures | 100 | 50 |
| Issue Size | ₹ 10 Crore | ₹5 Crore |
| Issue Price | ₹10,00,000/- per NCD | ₹10,00,000/- per NCD |
| Discount at which security is issued and the effective yield as a result of such discount. | None | None |
| Implicit yield | Not Applicable | Not Applicable |
| Step Up/Step Down Coupon Rate | None | None |
| Coupon Payment Frequency | On Redemption date | On Redemption date |
| Coupon payment dates | On Redemption date | On Redemption date |
| Coupon Type | Coupon linked to underlying index | Coupon linked to underlying index |
| Tenor | 819 days | 829 days |
| Redemption Date | September 27, 2019 | October 7, 2019 |
| Redemption Premium | None | None |
| Redemption Amount | ₹10,00,000/- per NCD | ₹10,00,000/- per NCD |
| Put Option Date | Not Applicable | Not Applicable |
| Put Option Price | Not Applicable | Not Applicable |
| Call Option Date | Not Applicable | Not Applicable |
| Call Option Price | Not Applicable | Not Applicable |
| Put Notification Time | Not Applicable | Not Applicable |
| Call Notification Time | Not Applicable | Not Applicable |

Cash flows for the above NCDs shall be as follows:

Option A

| Cash flows | Date | No. of days to maturity/coupon payment | Amount (in ₹) (per NCD) |
|--------------------------------------|----------------------------|--|--|
| Redemption amount and coupon payment | Friday, September 27, 2019 | 819 | Rs. 10,00,000/- plus the Coupon Amount |

Option B

| Cash flows | Date | No. of days to maturity/coupon payment | Amount (in ₹) (per NCD) |
|--------------------------------------|-------------------------|--|--|
| Redemption amount and coupon payment | Monday, October 7, 2019 | 829 | Rs. 10,00,000/- plus the Coupon Amount |

Note 1: The Company reserves the right to amend the Tranche timetable. The Issue Close Date / Pay-in Date / Deemed Date of Allotment may be rescheduled at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the date mentioned herein. The actual Issue Close Date / Pay-in Date / Deemed Date of Allotment shall be communicated to each investor in the acknowledgement of the Application Form.

Scenario Analysis:

Option A

| Scenario | | Price of 10 year Gsec at Initial Level | Current YTM | Assumed price of 10 year Gsec at final observation date | Indicative YTM range at final observation price | Return (XIRR) | Investment amount (Rs.) | Maturity amount (Rs.) |
|--|--|--|-------------|---|---|---------------|-------------------------|-----------------------|
| Moderately falling to rising market conditions | If IGB 6.79 15/05/2017 Corp price on final observation date \geq 100% of Digital level, then Payoff = Principal + Maximum Coupon | 102.6000 | 6.43% | \geq 102.6000 | \leq 6.37% | 8.75% | 10,00,000.00 | 12,07,094.53 |
| | OR | | | | | | | |

| | | | | | | | | |
|----------------------------------|--|----------|-------|-----------|---------|-------|--------------|--------------|
| Substantially falling conditions | If IGB 6.79 15/05/2017 Corp price on final observation date < 100% of Digital level, then Payoff = Principal + Minimum Coupon. | 102.6000 | 6.43% | < 102.600 | > 6.37% | 8.70% | 10,00,000.00 | 12,05,849.59 |
|----------------------------------|--|----------|-------|-----------|---------|-------|--------------|--------------|

Option B

| Scenario | | Price of 10 year Gsec at Initial Level | Current YTM | Assumed price of 10 year Gsec at final observation date | Indicative YTM range at final observation price | Return (XIRR) | Investment amount (Rs.) | Maturity amount (Rs.) |
|--|---|--|-------------|---|---|---------------|-------------------------|-----------------------|
| Moderately falling to rising market conditions | If IGB 6.79 15/05/2017 Corp price on final observation date > = 100% of Digital level, then Payoff = Principal + Maximum Coupon | 102.6000 | 6.43% | >= 102.6000 | <= 6.37% | 8.75% | 10,00,000.00 | 12,09,871.78 |
| | OR | | | | | | | |
| Substantially falling conditions | If IGB 6.79 15/05/2017 Corp price on final observation date < 100% of Digital level, then Payoff = Principal + Minimum Coupon. | 102.6000 | 6.43% | < 102.600 | > 6.37% | 8.70% | 10,00,000.00 | 12,08,608.74 |

This is merely an illustration and it does not display all the payoff scenarios.

Note 2 – Security Cover:

- 1.10 times** of the nominal amount of the Debentures outstanding under the Disclosure Document, in case the Mortgage Properties include mortgage on Immovable Property and hypothecation on Movable Property being SRs having a minimum rating of R1 (read as R One) or any such equivalent rating issued by any Rating Agency;

ii. In any other case, the Security Cover shall be maintained as follows:

| Nature of Mortgaged Properties | Security Cover |
|---|--|
| <p>Immovable Property along with Movable Property being SRs having a rating of R2 (read as R Two) or equivalent</p> <p>Immovable Property along with Movable Property being SRs having a rating of R3 (read as R Three) or equivalent</p> | <p>1.4 times of the nominal amount of the Debentures</p> <p>1.75 times of the nominal amount of the Debentures</p> |
| <p>Immovable Property along with Movable Property being cash and/or bank balance of the Company</p> | <p>1.0 time of the nominal amount of the Debentures together with the premium due thereon</p> |
| <p>Immovable Property along with Movable Property being SRs having ratings of R1 (read as R One), R2 (read as R Two) and R3 (read as R Three) together</p> | <p>1.1 times of the nominal amount of the Debentures to the extent of SRs having ratings of R1(read as R One)</p> <p>1.4 times of the nominal amount of the Debentures to the extent of SRs having ratings of R2 (read as R Two)</p> <p>1.75 times of the nominal amount of the Debentures to the extent of SRs having ratings of R3 (read as R Three)</p> |
| <p>Immovable Property along with Movable Property being SRs having a rating of R1 (read as R One) and cash and/or bank balance</p> | <p>1.0 time of the nominal amount of the Debentures together with premium due thereon to the extent of cash and bank balance</p> <p>1.10 times of the nominal amount of the Debentures to the extent of SRs having a rating of R1 (read as R One)</p> |
| <p>Immovable Property along with Movable Property being SRs having a rating of R2 (read as R Two) and R3 (read as R Three) and cash and/or bank balance</p> | <p>1.0 time of the nominal amount of the Debentures together with premium due thereon to the extent of cash and bank balance</p> <p>1.4 times of the nominal amount of the Debentures to the extent of SRs having a rating of R2 (read as R Two)</p> <p>1.75 times of the nominal amount of the Debentures to the extent of SRs having a</p> |

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| | rating of R3 (read as R Three) |
| Immovable Property along with Movable Property being SRs having ratings of R1 (read as R One) , R2 (read as R Two) and R3 (read as R Three) together and cash and/or bank balance | <p>1.0 time of the nominal amount of the Debentures together with premium due thereon to the extent of cash and bank balance</p> <p>1.1 times of the nominal amount of the Debentures to the extent of SRs having ratings of R1 (read as R One)</p> <p>1.4 times of the nominal amount of Debentures to the extent of SRs having ratings of R2 (read as R Two)</p> <p>1.75 times of the nominal amount of Debentures to the extent of SRs having ratings of R3 (read as R Three)</p> |

Note 3 - Effect on holidays:

Should any of the maturity date(s), as defined above or elsewhere in this DD, fall on a non-business day, the payment will be made on the preceding business day.

Note 4 - Event of Default:

In the event of:

- a) the Company failing to promptly pay any amount now or hereafter owing to the Debenture Holder(s) or the Debenture Trustee as and when the same shall become due and payable under the Transaction Documents;
- b) the value of the Mortgage Properties not being sufficient to maintain the Security Cover, and the Company having failed to cure such default:
 - i. if the Security Cover is 1 time or above , within a maximum period of 25 (Twenty Five) Business Days from the date on which the Security Cover went below 1.10 or 1.40 or 1.75 times as the case may be;
 - ii. if the Security Cover is below 1 time, within a maximum period of 5 (Five) Business Days from the date on which the Security Cover went below 1 time.
- c) There being an event of default under the terms and conditions of any of the Company's issuances / obligations (including any kind of hybrid borrowing like foreign currency convertible bonds, optionally convertible preference shares or optionally convertible debentures) as a borrower other than the debentures for an amount exceeding ₹ Ten Crore and the same not being cured as per terms therein or are not waived by those lenders / investors;
- d) If the Mortgage Properties (which are capable of being insured) offered as security in favour of the Debenture Trustee (acting on behalf of and for the benefit of Debenture Holders) are not insured or are kept under-insured by the Company;
- e) Any representation or warranty being found to be false, misleading or incorrect in any material respect, as on the date on which the same was made or deemed to have been

made;

- f) Material non-compliance with any covenant, condition or agreement on the part of the Company under any Transaction Documents;
- g) Security becoming unenforceable, illegal or invalid or any restriction, claim, imposition or attachment or any event leading to Security becoming unenforceable, illegal or invalid or any restriction, imposition or attachment has occurred other than as permitted under the Transaction Documents or loss of lien on the collateral;
- h) It becoming unlawful for the Company to perform any of its obligations under the Transaction Documents, or if the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect;
- i) The Company repudiating any of the Transaction Documents to which it is a party or evidences an intention to repudiate a Transaction Document to which it is a party;
- j) Non-execution of any of the Transaction Documents to the satisfaction of the Debenture Trustee within 3 (three) months from the earlier of Deemed Date of Allotment or date of closure of issue of the Debentures;
- k) Failure to file necessary forms with the Registrar of Companies in form and substance required to perfect the Security within 20 (Twenty) Business Days from the date of execution of the Debenture Trust Deed;
- l) The Company having voluntarily or involuntarily become the subject of proceedings under any insolvency laws;
- m) The proceedings for the voluntary or involuntary dissolution of the Company having been commenced;
- n) A petition for winding up of the Company having been admitted or if an order of a Court of competent jurisdiction having been made for the winding up of a Company, otherwise than in pursuance of a scheme of voluntary amalgamation or reconstruction or arrangement previously approved in writing by the Debenture Trustees (acting on behalf of Majority Debenture Holders) and duly carried into effect;
- o) The Company having taken or suffered any action to be taken for its liquidation or dissolution;
- p) A receiver or a liquidator being appointed or allowed to be appointed for all or any part of the undertaking of the Company;
- q) The Company having admitted in writing of its inability to pay its debts as they mature;
- r) The Company being adjudged insolvent or having taken advantage of any law for the relief of insolvent debtors or does material non-compliance with any applicable law/(s) in relation to the NCDs;
- s) An attachment being levied on the Mortgage Properties or any part thereof other than by co-lenders and/ or certificate proceedings being taken or commenced for recovery of any dues from the Company;
- t) Any expropriation, sequestration, distress or execution affects any of the Mortgage Properties or any part thereof having a Material Adverse Effect;
- u) The Company ceasing to carry on its business or giving notice of its intention to do so;

- v) The Company being declared a sick undertaking under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 or if a reference has been made to the Board for Industrial and Financial Reconstruction ('BIFR') by a creditor under the said Act and the Company has not resolved the complaint or is nationalised or is under the management of Central Government;
- w) The Company, without the previous consent in writing of the Debenture Trustee (acting on the instructions of Majority Debenture Holders), making any alteration in any Article of the Articles of Association concerning the Debentures or Debenture Holders which might in the opinion of the Debenture Trustee detrimentally affects the interest of the Debenture Holders and upon demand by the Debenture Trustee refusing or neglecting or being unable to rescind such alteration;
- x) The Company having entered into any arrangement or composition with its creditors or committing any act of insolvency or any other act, the consequence of which may lead to the insolvency or winding up of the Company;
- y) Company failing to obtain, comply and/or losing any of its operating license, approvals, consents or any other authorization required to carry out its business which would prejudice its ability to perform its obligations under the Transaction Documents and/or to discharge the Debentures;
- z) BSE delists the Debentures at any point of time due to an act of the Company or failure by the Company to take all necessary actions to ensure continued listing and trading of the Debentures on BSE and the same is not relisted within 15 days.
- aa) The Company attempting to sell, lease, transfer or otherwise dispose off mortgage property or to create any charge, in addition to the charge created / to be created in favour of the Debenture Trustee under the Transaction Documents, over the Security created in favour of the Debenture Trustee, except as permitted under the Transaction Documents;
- bb) The Company without obtaining the No Objection Certificate of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) attempting or purporting to create any mortgage, charge, pledge, hypothecation, lien or encumbrance over the Security ranking in priority to or pari passu with or subservient to, the charge created in favour of the Debenture Trustee in terms of the Transaction Documents except as permitted under the Transaction Documents;
- cc) The passing of an order by a court of competent jurisdiction ordering, restraining or otherwise preventing the Company from conducting all or any material part of its business;
- dd) The withdrawal, failure of renewal, or failure to obtain any statutory or regulatory approval in any relevant jurisdiction required, if any, for issuance of the Debentures or creation of the Security;
- ee) Any act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Company's funds or revenues or any other act having a similar effect being committed by the management of the Company;
- ff) Failure on the part of the Company to honor acceleration;
- gg) Principal Sponsor and/or the Executive Directors of the Company who are arrested or convicted in criminal offence and against whom First Information Report (FIR) has been

filed involving moral turpitude, dishonesty and bribery.

For the above purpose Principal Sponsor shall mean JM Financial Limited and its individual and/or HUF shareholders detailed under 'Category - A' of 'Category of Shareholder' as per the disclosure in the Shareholding Pattern filed with BSE Limited

hh) Failure to maintain “JM Financial” as part of the name of the Company at all times during the tenure of debentures without obtaining prior approval in writing from Majority Debenture Holders (75%);

ii) By or under the authority of any government:

- (i) The management of the Company is wholly or partially displaced or the authority of the Company to manage and direct its affairs wholly or partially curtailed; or
- (ii) any of the issued shares of the Company or the whole or any part of its rights or revenues or assets is condemned seized, expropriated or compulsorily acquired; or
- (iii) custody or control of the business or operations of the Company has been taken over, or any action has been taken for the dissolution of the Company; or
- (iv) any action has been taken that would prevent the Company, its members, or its officers from carrying on its business or operations or a substantial part thereof

the above shall constitute an event of default in relation to the Debentures (hereinafter referred to as an “Event of Default”) except where Debenture Trustee at its absolute discretion (acting on the instruction of Majority Debenture Holders) gives any cure period through notice thereof in writing to the Company and the Company remedies the default within such cure period;

Nothing contained herein gives any cure period to the Company in case of Event of Default under clause (a) above.

Acceleration Clauses

A. Change in Shareholding:

The Debenture Trustee shall, if so directed by the majority Debenture Holder(s), be entitled to accelerate the redemption of the debentures along with all applicable outstanding dues if at any point of time while the debentures are outstanding, if without the consent (which shall be provided in reasonable time) of the Majority Debenture Holders(s):

- (a) Shareholding of JM Financial Limited and/or any of its subsidiaries, in the Company goes below 40% or JM Financial Limited ceases to be the principal sponsor of the Company; and/or
- (b) promoter or promoter group shareholding in JM Financial Limited goes below 50.01% or promoters or promoter group cease to have Control over JM Financial Limited.

For the purpose of clause (b) above ‘Control’ means: (i) the right to appoint majority of the directors; and (ii) to control the management or policy decisions; exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner. Provided that a director or officer of a company shall not be considered to be in control over such company, merely by virtue of holding such position.

B . Acceleration due to Gross Debt/Equity Ratio (Gearing)

The Gross Debt/Equity ratio (gearing) of the Company shall be capped at 3.0 times as on March 31 every year. This covenant shall be tested on an annual basis for the year ending March 31 every year.

The Company shall inform its Gross Debt / Equity Ratio (Gearing) as of March 31 of each year, during the tenure of the debentures, by way of a letter to the debenture holder by April 15 every year. In case the Gross Debt/Equity Ratio as of March 31 exceeds 3.0 times, the Company shall seek No Objection Certificate (NOC) from the Debenture holder(s) for such higher gearing. The debenture holder(s) may either issue the above NOC or request for acceleration of the redemption of the debentures, as the case may be, within a period of 7 (seven) days from the date of the receipt of the Gearing from the Company. Upon such request for acceleration, the debentures shall be redeemed by the Company within a period of 45 (Forty Five) business days from the year end date.

For the purpose of this covenant, Equity = Equity share capital + Reserves & Surplus (but does not include capital reserve, revaluation reserve, redeemable preference share capital with maturity of less than 5 years and premium on redeemable preference share capital with maturity less than 5 years and includes Compulsorily convertible Debentures or Optionally Convertible Debentures. However it would include long term redeemable preference shares with maturity of more than 5 years). For the purpose of this covenant, Debt means financial indebtedness as defined below and excludes borrowings from JM Financial Ltd or its subsidiaries and NCDs issued to shareholders.

Financial Indebtedness” means any indebtedness for or in respect of:

1. moneys borrowed;
2. any amount availed of by acceptance of any credit facility or dematerialized equivalent;
3. any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments;
4. the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted principles of accounting in India, be treated as a finance or capital lease;
5. receivables sold or discounted (other than any receivables sold in the ordinary course of business or to the extent that they are sold on a non-recourse basis);
6. any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
7. any derivative transaction entered into in connection with protection against or benefit from fluctuation in price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
8. any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
9. the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance;
10. any put option, guarantees, keep fit letter(s), letter of comfort, etc. by whatever name called, which gives or may give rise to any financial obligation(s);
11. any preference shares with less than 5 years maturity (excluding any compulsorily convertible preference shares);
12. (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (1) to (11) above.

For clarification sub-debt or non-convertible debentures of any maturity and non-convertible preference shares with maturity less than 5 years shall be considered as Debt. Further any borrowing from JM Financial Ltd or its subsidiaries and NCDs issued to shareholders would be excluded from debt for calculation of debt equity ratio.

C. Acceleration due to rating related action

The happening of any of the following events would accelerate the redemption of the debentures under this Deed within 45 (Forty Five) days at the option of Debenture holders by giving a notice of 7 days:

- Downgrade of long term rating below A [Current rating AA- by ICRA]. The acceleration clause/ notice of acceleration would be effective from the date of such rating downgrade

In case of downgrade in external credit rating of the NCDs, the Coupon Rate for the balance period would increase 0.25% p.a. for each notch downgrade in rating and the same would be effective from the rating downgrade date.

Consequence of Event of Default

On and at any time after the occurrence of an Event of Default, the Debenture Trustee shall, if so directed by the Majority Debenture Holder(s), be entitled to:

- i) Accelerate the redemption of the NCDs and the amounts due under this Deed shall become immediately due and payable; and/or
- ii) enforce its charge over the Mortgage Properties in terms of this Deed to recover the Amount Due; and/or
- iii) exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Indian law.

If any Event of Default has happened, the Company shall, promptly give notice thereof to the Debenture Trustee, in writing, specifying the nature of such Event of Default.

All expenses incurred by the Debenture Trustee after an Event of Default has occurred in connection with:-

- (a) preservation of the Security (whether then or thereafter existing); and
- (b) collection of amounts due under this Agreement;

shall be payable by the Company.

Note 5 - Redemption:

Unless previously redeemed or purchased and cancelled as specified below, the NCDs shall be redeemed at par, at the expiry of the tenor of respective options.

Note 6 - Payment on Redemption:

The Company's liability to the Debenture Holders in respect of all their rights including for payment or otherwise shall cease and stand extinguished after maturity of the NCD, in all events save and except for the Debenture Holder's right of redemption. Upon dispatching the payment instrument towards payment of the redemption amount in respect of the NCDs, the liability of the Company in respect of such NCDs shall stand extinguished.

Note 7 - Redemption Payment Procedure:**a. NCDs held in physical form:**

The Debenture certificate(s), duly discharged by the sole / all the joint holders (signed on the reverse of the Debenture certificate(s)) will have to be surrendered for redemption on maturity and should be sent by the Debenture Holder(s) by registered post with acknowledgment due or by hand delivery to the Company or to such persons at such addresses as may be notified by the Company from time to time, seven days prior to the Redemption Date. In case of any delay in surrendering the Debenture certificate(s) for redemption, the Company will not be liable to pay any interest, income or compensation of any kind for the late redemption due to such delay.

The Company may, at its discretion, redeem the NCDs without the requirement of surrendering of the certificates by the Debenture Holder(s). In case the Company decides to do so, the redemption proceeds would be paid on the Redemption Date to those Debenture Holder(s) whose names stand in the register of Debenture Holders maintained by the Company on the Record Date fixed for the purpose of redemption. Hence the transferee(s), if any, should ensure lodgement of the transfer documents with the Company before the Record Date. In case the transfer documents are not lodged before the Record Date and the Company dispatches the redemption proceeds to the transferor, the Company shall be fully discharged and claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against the Company.

b. NCDs held in dematerialised form:

Payment of the redemption amount of the NCDs will be made by the Company to the beneficiaries as per the beneficiary list provided by the Depositories as on the Record Date. The NCDs shall be taken as discharged on payment of the redemption amount by the Company to the Debenture Holders as per the beneficiary list. Such payment will be a legal discharge of the liability of the Company towards the Debenture Holders. On such payment being made, the Company will inform the Depositories and accordingly the account of the Debenture Holders with Depositories will be adjusted.

Note 8 - Deemed Date of Allotment:

All benefits relating to the NCDs will be available to the investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. The Deemed Date of Allotment may be changed (advanced/ postponed) by the Company at its sole and absolute discretion.

Note 9 - Payment of outstanding amounts on the NCDs:

The Company shall ensure that services of Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer) are used for payment of all outstanding amounts on the NCDs, including the principal and premium accrued thereon.

Note 10 - Security:

The NCDs being issued under the DD shall be secured through a first ranking pari pasu charge on the immovable properties and first ranking exclusive charge / hypothecation over portions of the moveable properties or such other property as may be identified by the Company as set out in the relevant debenture trust deed / security documents.

The Company will create Security for NCDs in accordance with applicable laws in India.

Subject to the provisions of the relevant Debenture Trust Deed, the Company shall be entitled to replace / substitute any of the Moveable Property forming part of Mortgage Properties provided as Security in terms of the relevant debenture trust deed / security documents with other Moveable Property at any time only after obtaining a prior consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holder). The Company shall for such replacement issue a letter to the Debenture Trustee describing both the original Moveable Property being replaced and the Moveable Property with which such original Moveable Property is being replaced, which letter shall be duly acknowledged by the Debenture Trustee. The Debenture Holders upon subscription to the Debentures shall be deemed to have authorized the Debenture Trustee to execute such documents, to the satisfaction of Debenture trustee, as may be required by the Debenture Trustee to give effect to such replacement / substitution by acknowledging the Replacement Security Letter, without providing notice to or obtaining consent from the Debenture Holders, so long as the Company has not defaulted in relation to any payment due and the Auditor of the Company/ independent chartered accountant confirms to the Debenture Trustee in writing that the Security Cover for the NCDs shall be maintained post such replacement.

Further, in the event that the Moveable Property forming part of Mortgaged Properties provided as Security by the Company is of a value greater than the Security Cover, the Company shall be entitled to require the Debenture Trustee to release the excess Moveable Property at any time after obtaining a prior consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) and the same shall cease to form part of the Security on such release. The Company shall, for such release, issue a letter to the Debenture Trustee describing the Moveable Property to be released and the Debenture Trustee shall release the same by duly acknowledging the letter so addressed by the Company. The Debenture Holders upon subscription to the Debentures shall be deemed to have authorized the Debenture Trustee to execute such documents, to the satisfaction of Debenture Trustee, as may be required by the Debenture Trustee to give effect to such release without providing notice to or obtaining consent from the Debenture Holders, so long as the Company has not defaulted in relation to any payment due and the Auditor of the Company / independent chartered accountant confirms to the Debenture Trustee in writing that the Security Cover for the NCDs shall be maintained post such release.

Subject to the provisions of the Debenture Trust Deed, the Company may provide or cause to be provided (without being obliged to) such additional security for securing its obligations in respect of the Debentures as may be decided by the Company.

In case the actual Security Cover for Debentures falls below 1.10 or 1.40 times as the case may be, the Company shall restore the Security Cover to the stipulated level within the time allowed under the Debenture Trust Deed.

The Company shall be entitled, from time to time, to make further issue of non-convertible debentures or such other instruments to any other person(s) and/or raise further loans / advances and/or avail of further financial and/or guarantee(s) facilities from Indian and/or international financial institutions, banks and/or any other person(s) on the security of the moveable property of the Company or any part thereof (other than that those comprising the Security to NCDs issued under this Issue) and/or such other assets and properties as may be decided by the Company from time to time without requiring to provide notice to or obtain consent from the Debenture Trustee and/or the Debenture Holders.

Notwithstanding anything contained in this DD, so long as the stipulated Security Cover is maintained, the Company shall have all rights to deal with the charged assets in normal course of business without requiring to provide notice to or obtain consent from the Debenture Trustee and/or the Debenture Holders.

Note 11 - Time Limit for creation of Security:

The Company shall create the security in respect of the NCDs issued under this DD in favour of the Debenture Trustee within 3 (three) months from the closure date of NCDs under this DD.

Note 12 - Tax Deduction at Source (TDS):

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or reenactment thereof will be deducted at source for which a certificate will be issued by the Company. As per the provisions of the Income Tax Act, 1961, with effect from June 1, 2008, no tax is deductible at source from the amount of interest payable on any listed dematerialised security, held by a person resident in India. Since the NCDs shall be issued in dematerialised mode and shall be listed on the WDM segment of BSE, no tax will be deductible at source on the payment/credit of interest/implicit yield on NCDs held by any person resident in India. In the event of rematerialisation of the NCDs, or NCDs held by persons resident outside India or a change in applicable law governing the taxation of the NCDs, the following provisions shall apply:

- a) In the event the NCDs are rematerialized and the Company is required to make a tax deduction, the Company shall make the payment required in connection with that tax deduction within the time allowed and in the minimum amount required by applicable law;
- b) The Company shall within 30 (thirty) days after the due date of payment of any tax or other amount which it is required to pay, deliver to the Debenture Trustee evidence of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority.

Interest on Application Money shall be subject to TDS at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or reenactment thereof for which a certificate will be issued by the Company.

For seeking TDS exemption / lower rate of TDS, relevant certificate / document must be lodged by the Debenture Holder(s) at the Registered Office of the Company atleast 15 (Fifteen) days before the interest payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money should be submitted along with the application form.

For detailed tax implications of the investment in NCDs, investors should get in touch with their tax consultant.

Note 13 - Currency of Payment:

All obligations under the NCDs are payable in Indian Rupees only.

Note 14 - Right of the Company to Purchase, Re-sell and Re-issue NCDs:**a. Purchase and Resale of NCDs:**

The Company may, subject to applicable law at any time and from time to time, at its sole and absolute discretion purchase some or all of the NCDs held by the Debenture Holders at any time prior to the specified date(s) of redemption. Such buy- back of NCDs may be at par or at discount / premium to the face value at the sole discretion of the Company. The NCDs so purchased may, at the option of the Company, be cancelled, held or resold.

b. Reissue of Debentures:

Where the Company has repurchased / redeemed any such NCDs, subject to the provisions of the Companies Act, 2013 and other applicable legal provisions, the Company shall have and shall be deemed always to have had the right to keep such NCDs alive for the purpose of reissue and in exercising such right, the Company shall have and shall be deemed always to have had the power to reissue such NCDs either by reissuing the same NCDs or by issuing other NCDs in their place in either case, at such a price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Company may deem fit.

Note 15 - Future Borrowings:

The Company shall be entitled, from time to time, to make further issue of debentures and or such other instruments to the public, members of the Company and/or avail further financial and/or guarantee facilities from financial institutions, banks and/or any other person(s) on the security or otherwise of its assets / properties without the consent of the Debenture Trustee or the Debenture Holders.

Note 16 - Rights of Debenture Holders:

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The NCDs shall not confer upon its holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Company.

Note 17 - Modification of Rights:

The Debenture Holders' rights, privileges, terms and conditions attached to the NCDs may be varied, modified or abrogated with the consent, in writing, of the Debenture Holders who hold atleast three-fourth of the outstanding amount of the NCDs or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture Holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the NCDs, if the same are not acceptable to the Company.

Note 18 - Notices:

The Company agrees to send notice of all meetings of the Debenture Holders. The notices, communications and writings to the Debenture Holder(s) required to be given by the Company shall be deemed to have been given if sent by registered post or by hand delivery or by electronic transmission to the sole / first allottee or sole/first registered Debenture Holder as the case may be at its address registered with the Company.

All notices, communications and writings to be given by the Debenture Holder(s) shall be sent by registered post or by hand delivery to the Company at its Registered Office or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt of the same.

Note 19 - Splitting and Consolidation:

Splitting and consolidation of the NCDs is not applicable in the dematerialised mode form since the saleable lot is 1 (one) Debenture. In case the NCDs are in physical mode as a consequence of rematerialisation of the NCDs by any Debenture Holder, the request from Debenture Holder(s) for splitting/consolidation of Debenture certificates will be accepted by the Issuer only if the original Debentures certificate(s) is/are enclosed along with an acceptable letter of request. No requests for splits below the Market Lot will be entertained.

Note 20 - Transfers:

The NCDs may be transferred to any person duly qualified to acquire such NCDs under the applicable laws.

Note 21 - Succession:

In the event of demise of a Debenture Holder, the Company will recognize the executor or administrator of the demised Debenture Holder or the holder of succession certificate or other legal representative of the demised Debenture Holder as the registered holder of such NCDs, if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may, in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognise such holder as being entitled to the NCDs standing in the name of the demised Debenture Holder on production of sufficient documentary proof or indemnity. In case a person other than individual holds the NCDs, the rights in the NCDs shall vest with the successor acquiring interest therein, including liquidator or any such person appointed as per the applicable law.

Note 22 - The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed:

The list of documents which has been executed or will be executed in connection with the Issue and subscription of NCDs are as follows:

- a. Debenture Trustee Appointment Agreement
- b. Debenture Trust Deed
- c. Deed of Hypothecation, if required/applicable

Note 23 – A. Additional information

- a. The complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
- b. It shall take all steps for completion of formalities for listing and commencement of trading at the concerned stock exchange where securities are to be listed within specified time frame;
- c. Necessary co-operation to the credit rating agencies shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding;
- d. The Company shall use a common form of transfer for the NCDs;
- e. The Company shall disclose the complete name and address of the Debenture Trustee in its Annual Report;
- f. The Company undertakes that the necessary documents for the creation of the charge, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc. and the same would be uploaded on the website of BSE, where the debt securities have been listed, within five working days of execution of the same;
- g. The Company undertakes that permission / consent from the prior creditor for a pari passu charge being created, where applicable, in favor of the trustees to the proposed issue would be obtained.

B. Additional covenants:

- a. Security Creation: In case of delay in execution of Trust Deed and Charge documents beyond 3 (three) months from the date of closure of this DD, the Company will refund the subscription with agreed rate of interest or will pay penal interest of atleast 2% p.a. over the interest/coupon rate till these conditions are complied with at the option of the investor;

- b. Default in Payment: In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the interest/coupon rate will be payable by the Company for the defaulting period;
- c. Delay in Listing: In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest, of atleast 1 % p.a. over the interest/coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.

The interest rates mentioned in above three cases are independent of each other.

Note 24 - A statement containing particulars of the dates of and parties to all material contracts, agreements involving financial obligations of the issuer:

By the very nature of its business, the Company is involved in a large number of transaction involving financial obligations and therefore it may not be possible to furnish details of all material contracts / agreements / documents involving financial obligations of the Company. However, the contracts / agreements / documents listed below which are or may be deemed to be material for this issue, have been entered into / executed by the Company:

1. Memorandum and Articles of Association of the Company;
2. RBI registration certificate dated September 23, 2008 issued by the Reserve Bank of India;
3. Resolution of the Board of Directors passed at its meeting held on May 10, 2016 approving, inter-alia, the issue of Non-Convertible Debentures aggregating upto ₹ 1,000,00,00,000/- (Rupees One Thousand Crore only)
4. Resolution passed by the shareholders at the Annual General Meeting of the Company held on June 30, 2014 appointing M/s. Khimji Kunverji & Co. as Auditors of the Company
5. Resolution passed by the shareholders of the Company at the Annual General Meeting held on July 19, 2016 authorising the Board of Directors to borrow, for the purpose of the Company, upon such terms and conditions as the Board may think fit for amounts up to ₹ 1,000,00,00,000/- (Rupees One Thousand Crore only)
6. Annual Reports for the five years ended March 31, 2012, 2013, 2014, 2015 and 2016 of the Company;
7. Letter from ICRA Limited assigning the credit rating to the NCDs;
8. Consent letter issued by Vistra ITCL (India) Company Limited dated June 28, 2017 to act as the Debenture Trustee to this Issue
9. Consent letter issued by Karvy Computershare Private Limited dated June 28, 2017 to act as the Registrar to the Issue and inclusion of its name in the form and context in which it appears in this Disclosure Document
10. Letter dated June 29, 2017 from BSE Limited giving its in-principle approval to the Issue.

Certified true copy of the above documents or such other relevant documents are available for inspection at the Registered Office of the Company situated at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 until the date of closure of the Issue.

DECLARATION BY THE DIRECTORS THAT –

- a. the company has complied with the provisions of the Act and the rules made thereunder;
- b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- c. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter;

I am authorised by the Board of Directors of the Company vide resolution dated May 10, 2016 to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this DD and matters incidental thereto have been complied with. Whatever is stated in this DD and in the attachments thereto is true, correct and complete and no information material to the subject matter of this DD has been suppressed or concealed and is as per the original records maintained by the shareholders subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this DD.

for JM Financial Asset Reconstruction Company Limited



Nikhil Bhandary
Company Secretary



Place: Mumbai
Date: June 29, 2017

**DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE
COMPANIES ACT, 2013**

(Pursuant to Section 42 and Rule 14(1) of the Companies (Prospectus and Allotment of Securities)
Rules, 2014)

The table below sets out the disclosure requirements as provided in Form PAS-4 and the relevant pages in this Disclosure Document where these disclosures, to the extent applicable, have been provided.

| Sr. No. | Disclosure Requirements | Page No. |
|----------------|---|--------------------|
| 1. | GENERAL INFORMATION | |
| a. | Name, address, website and other contact details of the company indicating both registered office and corporate office. | Page 22 |
| b. | Date of incorporation of the company. | September 19, 2007 |
| c. | Business carried on by the company and its subsidiaries with the details of branches or units, if any. | Page 23 |
| d. | Brief particulars of the management of the company. | Page 39 |
| e. | Names, addresses, DIN and occupations of the directors. | Page 32-33 |
| f. | Management's perception of risk factors. | Page 14-21 |
| g. | Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of: (i) Statutory dues; (ii) Debentures and interest thereon; (iii) Deposits and interest thereon; and (iv) Loan from any bank or financial institution and interest thereon. | None |
| h. | Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process. | Page 22 |
| 2. | PARTICULARS OF THE OFFER | |
| a. | Date of passing of board resolution. | May 10, 2016 |
| b. | Date of passing of resolution in the general meeting, authorising the offer of securities. | July 19, 2016 |
| c. | Kinds of securities offered (i.e. whether share or debenture) and class of security. | Debentures |
| d. | Price at which the security is being offered including the premium, if any, along with justification of the price. | Page 48 |
| e. | Name and address of the valuer who performed valuation of the security offered. | Not Applicable |
| f. | Amount which the company intends to raise by way of securities. | Page 44 |

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|-----------|--|--|
| g. | Terms of raising of securities: (i)Duration, if applicable; (ii)Rate of dividend; (iii)Rate of interest; (iv)Mode of payment; and (v)Repayment. | Not Applicable Not Applicable Not Applicable Not Applicable |
| h. | Proposed time schedule for which the offer letter is valid. | Page 46 |
| i. | Purposes and objects of the offer. | Page 45 |
| j. | Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects. | Not Applicable |
| k. | Principle terms of assets charged as security, if applicable. | Page 46 |
| 3. | DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC. | |
| a. | Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons. | None |
| b. | Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed. | None |
| c. | Remuneration of directors (during the current year and last three financial years). | Refer Annual Reports attached |
| d. | Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided. | Refer Annual Reports attached |
| e. | Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark. | None |
| f. | Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries. | None |
| g. | Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company. | None |
| 4. | FINANCIAL POSITION OF THE COMPANY | |

| | | |
|--------|---|----------------------------------|
| a. | The capital structure of the company in the following manner in a tabular form: | |
| (i)(a) | The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value); | |
| (b) | Size of the present offer; and | ₹ 15 Crore |
| (c) | Paid up capital: (A)After the offer; and (B)After conversion of convertible instruments (if applicable); | Not Applicable Not Applicable |
| (d) | Share premium account (before and after the offer). | Not Applicable |
| (ii) | The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration. | Page 29-30 |
| | Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case. | Page 29-30 |
| b. | Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter. | Page 26 |
| c. | Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid). | None |
| d. | A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter. | Page 25 |
| e. | Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter. | Page 27-28 |
| f. | Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company. | None |

SECTION - IV

ANNEXURES

A – ICRA CREDIT RATING LETTER AND RATING RATIONALE



ICRA

ICRA Limited

CONFIDENTIAL

Ref: 2017-18/MUM/0341
June 16, 2017

Mr. Manish Sheth
Group Chief Financial Officer
JM Financial Asset Reconstruction Company Limited
5B, 5th Floor, Cnergy,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai – 400 025

Dear Sir,

Re: ICRA Credit Rating for the Long term Principal Protected Market Linked Debenture Programme of Rs. 200 crore of JM Financial Asset Reconstruction Company Limited (formerly JM Financial Asset Reconstruction Company Private Limited)

Please refer to your Rating Agreement dated June 09, 2017 for carrying out the rating of the aforesaid Bond Programme. The Rating Committee of ICRA, after due consideration, has assigned rating of "PP-MLD[ICRA]AA-" (pronounced P P M L D ICRA double A minus) to the aforesaid long term principal protected market linked debenture programme. The outlook on the rating is Stable. Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The letters 'pp' stand for 'principal protected'. According to the terms of the rated instrument, the amount invested, that is the principal, is protected against erosion while the returns on the investment could vary, being linked to movements in one or more variables, such as equity indices, commodity prices, 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. Company has to ensure that it has necessary regulatory approvals for the issuance of such debentures. In any of your publicity material or other document wherever you are using our above rating, it should be stated as "PP-MLD[ICRA] AA- (stable)".

We would appreciate if you can sign the acknowledgement and send it to us latest by 26/06/2017 as acceptance on the assigned rating. The rationale for assigning the above rating will be sent to you on receipt of your acceptance on rating, as above. 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 as non accepted credit rating. This is in line with requirements as prescribed in the circular dated November 1, 2016 on 'Enhanced Standards for Credit Rating Agencies' issued by the Securities and Exchange Board of India, which states the following:

"Each CRA shall disclose on its website details of all ratings assigned by them, irrespective of whether the rating is accepted by the issuer or not, even in the case of non- public issues".

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. If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter communicating the rating, the same would stand withdrawn unless revalidated before the expiry of 3 months.

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 to be issued by you.

You are requested to furnish a periodic statement (as per enclosed format) of timely payment of all obligations on your rated debt program. You are 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. You are also requested to keep us forthwith 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 required 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.

...2/

3rd Floor, Electric Mansion,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025.

Tel. : + 91 22 6169 3300 / 301
Fax : + 91 22 2433 1390
CIN : L74999DL1991PLC042749

Website : www.icra.in
email : mumbai@icraindia.com

Registered Office : 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110 001, Tel.: +(91-11) 23357940-50 Fax : + (91-11) 23357014

R A T I N G • R E S E A R C H • I N F O R M A T I O N



2.

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,

Yours faithfully,
For ICRA Limited

A handwritten signature in blue ink, appearing to read 'Anjan Deb Ghosh'.

ANJAN DEB GHOSH
Executive Vice President
aghosh@icraindia.com

A handwritten signature in blue ink, appearing to read 'Karthik Srinivasan'.

KARTHIK SRINIVASAN
Senior Vice President
karthiks@icraindia.com

Acknowledgement

(To be signed and returned to ICRA Limited)

I, <Name of the person>, <Designation> on behalf of the <Company/ Client name> hereby accept and acknowledge the above assigned credit rating.

For <Company/ Client Name>

Name:

Date:

Note: Please return a copy of the above communication along with the acknowledgement to ICRA Limited at <address> or <email>



Encl:

Format of undertaking < to be provided on letter head of company> when the company is regular in servicing all its debt obligations

Statement of servicing of debt obligations for the period [-----] to [-----]

1. The company **has been regular in servicing** all its principal and interest obligations in a timely manner and there has not been any delay or default (a missed or delayed payment in breach of the agreed terms of the issue) during the period mentioned above. We also confirm that there has been no re-schedulement in regard to any of company's debt obligations. We also confirm that there has been no overdrawal 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.

Authorized Signatory

Name:

Designation:

Date:

A handwritten signature in blue ink, appearing to be 'J. Singh' or similar, is written over the 'Date:' field.

B - CONSENT LETTER OF THE DEBENTURE TRUSTEE

Ref. No.: 253)



June 28, 2017

JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED

7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi,
Mumbai 400 025

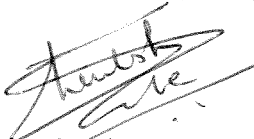
Sub : Consent to act as Debenture Trustee for the issue of 150 Secured Rated Redeemable Non-Convertible Debentures of the face value of Rs. 10,00,000/- each, aggregating up to Rs. 15 Crore (Rupees Fifteen Crores) to be issued by JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED (Company).

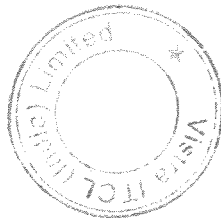
Dear Sir,

This is with reference to our discussion regarding appointment of Vistra ITCL (India) Limited for issue of 150 Secured Rated Redeemable Non-Convertible Debentures of the face value of Rs. 10,00,000/- each, aggregating up to Rs. 15 Crore (Rupees Fifteen Crores) to be issued by the Company. In this regards, we do hereby give our consent to act as the Debenture Trustee subject to the Company agreeing to the following conditions.

1. The Company shall create security to secure the aforesaid NCDs on such terms and conditions as disclosed in the Debenture Trustee Appointment Agreement dated June 28, 2017 and execute requisite documents as agreed upon by the Company under the Debenture Trustee Appointment Agreement.
2. The Company shall pay Debenture Trustee so long as they hold the office of the Debenture Trustee, remuneration as stated in appointment letter dated June 27, 2017 for the services as Debenture Trustee in addition to all legal, travelling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with
3. The Company shall comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and other applicable provisions as amended from time to time and agrees to furnish to Trustee such information in terms of the same on regular basis

Sincerely,
For Vistra ITCL (India) Limited


Authorized Signatory



**C – AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR FY 2014-15, FY 2015-16 and
FY 2016-17**

Independent Auditor's Report

TO THE MEMBERS OF JM FINANCIAL ASSET RECONSTRUCTION COMPANY PRIVATE LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of JM Financial Asset Reconstruction Company Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

2. The Management and Board of Directors of the Company are responsible for matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; for selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Management and Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, its profit and its cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

- 7 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
- 8 As required by section 143(3) of the Act, we further report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
 - e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
 - f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) There are no pending litigations having impact on the financial statements;
 - (ii) The Company does not have any long-term contracts for which there exist any foreseeable losses. Further the company does not have any derivative contracts, hence the question of providing for material foreseeable losses on the same does not arise;
 - (iii) There has not been any occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund; hence, the question of delay in transferring such sums does not arise

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Registration No 105146W

Sd/-
Hasmukh B Dedhia
Partner(F-33494)

Place: Mumbai
Date: May 27, 2015

Annexure referred to in paragraph 7 of the Our Report of even date to the members JM Financial Asset Reconstruction Company Private Limited on the accounts of the company for the year ended March 31, 2015

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 (b) The fixed assets have been physically verified by the management at reasonable interval. As informed, no material discrepancies were noticed on such verification
- (ii) The business of the Company does not require it to hold any inventory, hence clause 3(ii) of the Order is not applicable to it
- (iii) The Company has not granted loans secured or unsecured to companies, firms or other parties covered in register maintained under Section 189 of the Act, hence clause 3(iii) of the Order is not applicable to it
- (iv) In our opinion and according to the information and explanation given, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering services. Further, on the basis of examination of the books and records of the Company and according to the information and explanations given, and as per the checking carried out in accordance with the auditing standards generally accepted in India, neither have we observed nor has any instance been reported to us for any continuing failure to correct major weaknesses in the internal control system relating to the aforesaid.
- (v) The Company has not accepted any deposits from the public as covered under provisions of Chapter V of the Act and rules made there under, hence clause 3(v) of the Order is not applicable to the Company
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act
- (vii) (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Income tax, Service tax, Cess, Value Added Tax and other material statutory dues applicable to it. There are no statutory dues remaining outstanding for the period exceeding six months as at the date of the Balance Sheet
 We have been informed that Employees' state insurance, Sales tax, Wealth tax, Custom duty and Excise Duty are currently not applicable to the Company for the year under audit
 (b) According to the information and explanations given, there are no dues of Income tax, Service tax and Cess which have not been deposited on account of any dispute.
 We have been informed that Sales tax, Wealth tax, Custom duty and Excise Duty are currently not applicable to the Company for the year under audit
 (c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund; hence, the question of reporting delay in transferring such sums does not arise
- (viii) The Company has neither accumulated losses at the end of the financial year nor has incurred cash losses in the current year or in immediately preceding financial year
- (ix) Based on our audit procedures and as per the information and explanations given, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank
- (x) According to the information and explanations given, the Company has not given any guarantee for loans taken by others from bank or financial institution.
- (xi) In our opinion and according to the information and explanations given to us, the term loan taken by the company has been applied for the purpose for which the same is raised

(xii) During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instances of fraud on or by the Company, noticed or reported during the course of our audit nor have we been informed of such case by the management of the Company.

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Registration No 105146W

Sd/-
Hasmukh B Dedhia
Partner (F-33494)

Place: Mumbai
Date: May 27, 2015

Balance Sheet as at March 31, 2015

| | Note No. | As at 31.03.2015 ₹ | As at 31.03.2014 ₹ |
|--|-------------|--------------------------|--------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| a Share Capital | 2.01 | 2,412,500,000 | 2,100,000,000 |
| b Reserves and Surplus | 2.02 | 1,752,870,132 | 1,203,709,238 |
| | | 4,165,370,132 | 3,303,709,238 |
| 2 Non-current liabilities | | | |
| a Long-term borrowings | 2.03 | 4,729,312,180 | - |
| b Long-term provisions | 2.04 | 4,334,361 | 3,463,130 |
| | | 4,733,646,541 | 3,463,130 |
| 3 Current liabilities | | | |
| a Short-term borrowings | 2.05 | 6,394,371,982 | 1,989,437,183 |
| b Trade payables | 2.06 | 2,020,981 | 839,374 |
| c Other current liabilities | 2.07 | 432,122,545 | 1,694,518,006 |
| d Short-term provisions | 2.08 | 3,719,100 | 3,233,956 |
| | | 6,832,234,608 | 3,688,028,519 |
| Total | | 15,731,251,281 | 6,995,200,887 |
| II. ASSETS | | | |
| 1 Non-current assets | | | |
| a Fixed assets | 2.09 | | |
| (i) Tangible assets | | 8,843,208 | 4,492,618 |
| (ii) Intangible assets | | 4,216,329 | 5,639,360 |
| (iii) Capital work-in-progress | | 639,048 | - |
| (iv) Intangible assets under development | | 59,461 | - |
| b Deferred tax assets (net) | 2.10 | 5,801,731 | 11,623,472 |
| c Long-term loans and advances | 2.11 | 69,432,226 | 422,564,892 |
| d Other non-current assets | 2.12 | - | - |
| | | 88,992,003 | 444,320,342 |
| 2 Current assets | | | |
| a Current investments | 2.13 | 14,605,246,295 | 5,811,753,178 |
| b Trade receivables | 2.14 | 621,992,085 | 467,808,930 |
| c Cash and bank balances | 2.15 | 63,826,654 | 6,137,077 |
| d Short-term loans and advances | 2.16 | 351,194,244 | 265,181,360 |
| | | 15,642,259,278 | 6,550,880,545 |
| Total | | 15,731,251,281 | 6,995,200,887 |

Significant accounting policies and notes to the financial statements **1 & 2**

As per our attached report of even date

For Khimji Kunverji & Co

Chartered Accountants

Firm Registration No: 105146W

For and on behalf of the Board of Directors

Sd/-

Hasmukh B Dedhia

Partner

Membership No. 33494

Sd/-

VP Shetty

Chairman

(DIN-00021773)

Sd/-

Shailesh Haribhakti

Chairman-Audit Committee

(DIN-00007347)

Sd/-

Anil Bhatia

Managing Director &

Chief Executive Officer

(DIN-01310959)

Date : May 27, 2015**Place** : Mumbai

Sd/-

Nikhil Bhandary

Company Secretary

Sd/-

Sabyasachi Ray

Chief Financial Officer

Date : May 27, 2015**Place** : Mumbai

Statement of Profit & Loss for the year ended March 31, 2015

| | Note No. | For the year ended March 31, 2015 ₹ | For the year ended March 31, 2014 ₹ |
|--|-------------|---|---|
| I. REVENUE FROM OPERATIONS | 2.17 | 2,139,419,013 | 1,195,580,148 |
| II. OTHER INCOME | 2.18 | 4,093,036 | 8,174,362 |
| III Total Revenue (I + II) | | 2,143,512,049 | 1,203,754,510 |
| IV EXPENSES | | | |
| Employee benefits expense | 2.19 | 172,417,790 | 150,810,290 |
| Finance costs | 2.20 | 1,133,152,089 | 172,745,389 |
| Provision/write off for receivables, loans & investments | 2.21 | 92,118,151 | 31,931,276 |
| Depreciation and amortization expense | 2.09 | 5,314,861 | 4,233,185 |
| Other expenses | 2.22 | 139,771,722 | 93,112,179 |
| Total expenses | | 1,542,774,613 | 452,832,319 |
| V Profit before tax | | 600,737,436 | 750,922,191 |
| Tax expense | | | |
| Current tax | | 232,700,000 | 264,700,000 |
| Deferred tax | | 5,991,692 | 3,801,595 |
| | | 238,691,692 | 268,501,595 |
| VI Profit after tax | | 362,045,744 | 482,420,596 |
| VII Earnings per share | 2.23 | | |
| Basic / Diluted | | 1.60 | 2.30 |

Significant accounting policies and notes to the financial statements

1 & 2

As per our attached report of even date

For Khimji Kunverji & Co

Chartered Accountants

Firm Registration No: 105146W

For and on behalf of the Board of Directors

Sd/-

Hasmukh B Dedhia

Partner

Membership No. 33494

Sd/-

VP Shetty

Chairman

(DIN-00021773)

Sd/-

Shailesh Haribhakti

Chairman-Audit Committee

(DIN-00007347)

Sd/-

Anil Bhatia

Managing Director &

Chief Executive Officer

(DIN-01310959)

Date : May 27, 2015

Place : Mumbai

Sd/-

Nikhil Bhandary

Company Secretary

Sd/-

Sabyasachi Ray

Chief Financial Officer

Date : May 27, 2015

Place : Mumbai

Statement of Cash Flow for the year ended March 31, 2015

(In ₹)

| | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|---|---|
| A Cash flow from operating activities | | |
| Profit before tax | 600,737,436 | 750,922,191 |
| Adjustment for: | | |
| Depreciation | 5,314,861 | 4,233,185 |
| Provision for gratuity | 900,049 | 516,041 |
| Provision for/(reversal of) compensated absences | 456,326 | 390,182 |
| Provision for receivables, advances and loans | 92,118,151 | 31,931,276 |
| Earlier year provision on receivables / advances w/back | (27,756,143) | (7,092,571) |
| Loss on sale of fixed assets | - | 7,591 |
| Interest expense | 1,133,152,089 | 172,745,389 |
| Operating profit before working capital changes | 1,804,922,769 | 953,653,284 |
| Adjustment for: | | |
| (Increase)/decrease in trade receivables | (154,183,155) | (373,017,799) |
| (Increase)/decrease in short-term loans and advances | (86,012,884) | 1,613,441 |
| (Increase)/decrease in other current assets | - | 5,278,845 |
| Increase/(decrease) in trade payables | 1,181,607 | 839,374 |
| Increase/(decrease) in other current liabilities | (1,267,597,532) | 1,561,392,598 |
| Cash generated from/(used in) operations | 298,310,805 | 2,149,759,742 |
| Direct taxes paid | (218,664,032) | (267,625,054) |
| Net cash from/(used in) operating activities | 79,646,773 | 1,882,134,688 |
| B Cash flow from investing activities | | |
| Purchase of current investments - Others | (9,723,138,000) | (2,761,046,000) |
| Sale/ redemption of current investments - Others | 957,401,026 | 316,894,601 |
| Purchase of fixed assets | (8,995,728) | (1,239,892) |
| Bank balances not considered as Cash & cash equivalents | - | 31,900,000 |
| Net cash from/(used in) investment activities | (8,774,732,702) | (2,413,491,291) |
| C Cash flow from financing activities | | |
| Proceeds from issue of share capital – Equity | 312,500,000 | - |
| Securities Premium | 187,500,000 | - |
| Share issue expenses | (500,000) | - |
| (Increase) /decrease in other non- current assets | (27,835,984) | (10,277,995) |
| (Increase) /decrease in long term loans & advances | 280,016,600 | (434,680,740) |
| Proceeds from long-term borrowings | 4,729,312,180 | - |
| Repayment of long-term borrowings | - | (1,561,494) |
| Proceeds from short-term borrowings | 4,404,934,799 | 301,937,183 |
| Interest paid | (1,133,152,089) | (172,745,389) |
| Net cash from/(used in) financing activities | 8,752,775,506 | (317,328,435) |
| Net increase/(decrease) in cash & cash equivalents | 57,689,577 | (848,685,038) |
| Cash & cash equivalents (opening) | 6,137,077 | 854,822,115 |
| Cash & cash equivalents (closing) | 63,826,654 | 6,137,077 |

Statement of Cash Flow for the year ended March 31, 2015 (Contd.)
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

As per our attached report of even date

For Khimji Kunverji & Co

Chartered Accountants

Firm Registration No: 105146W

For and on behalf of the Board of Directors

Sd/-

Hasmukh B Dedhia

Partner

Membership No. 33494

Sd/-

VP Shetty

Chairman

(DIN-00021773)

Sd/-

Shailesh Haribhakti

Chairman-Audit Committee

(DIN-00007347)

Sd/-

Anil Bhatia

Managing Director &

Chief Executive Officer

(DIN-01310959)

Date : May 27, 2015

Place : Mumbai

Sd/-

Nikhil Bhandary

Company Secretary

Sd/-

Sabyasachi Ray

Chief Financial Officer

Date : May 27, 2015

Place : Mumbai

Significant Accounting Policies

1. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting convention

The financial statements have been prepared in compliance with all material aspects of the applicable Accounting Standards notified under Companies (Accounting Standards) Rules 2006 (as amended), the Guidelines issued by the Reserve Bank of India ('RBI') from time to time and the provisions of the Companies Act, 2013 (the "Act") to the extent applicable.

The financial statements are based on historical cost convention and are prepared on accrual basis, except where impairment is made and revaluation is carried out.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. Accounting Policies not specifically referred to otherwise, are consistent with generally accepted accounting principles.

b. Use of estimates

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of 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.

c. Fixed assets and depreciation

Owned tangible assets

Tangible Fixed Assets are stated at original cost of acquisition less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their present location and working condition.

Depreciation on tangible fixed assets is provided pro-rata basis for the period of use, on the Straight Line Method (SLM), based on management's estimate of useful lives of the fixed assets, or at the rates prescribed in Schedule II to the Act whichever is higher, as per the following table:

| Asset | Useful Life |
|------------------------|--|
| Leasehold improvements | 10 years or period of lease whichever is lower |
| Office equipments | 5 years |
| Computers | 3 years |
| Servers & Networks | 6 years |
| Software | 5 years |
| Motor Vehicles | 5 years |
| Furniture and Fixtures | 10 years |

Assets costing ₹ 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 accounted for at the inception of lease at the fair value of the assets or present value of minimum lease payments whichever is lower. At the end of lease term, asset will revert back to the lessor; hence they are fully depreciated on a straight line basis over the lease term or its useful life whichever is shorter.

At the balance sheet date, assets held for disposal are valued at Written Down Value (WDV) or Net Realisable Value (NRV), whichever is lower.

d. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of the assets exceed its recoverable value. An impairment loss, if any, is charged to the profit and loss account in the year, in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

e. Investments

Investments in Security Receipt (SR) are classified as available for sale category under current assets. They are valued at lower of cost or realizable value. Latest available declared Net Asset Value (NAV) is considered to the realizable value of these investments. In cases where NAV is not declared (since investment is within the planning period of 180 days from the date of acquisition of assets or finalization of resolution strategy, whichever is earlier) cost of SR is considered as realizable value.

All these investments are aggregated for the purpose of arriving at net depreciation/ appreciation of investments under the category. Net depreciation, if any shall be provided for and Net appreciation, if any, shall be ignored.

f. Revenue recognition

Accounting Standard 9 as notified by the Rules specifies that the amount of revenue arising on a transaction is usually determined by agreement between the parties involved in the transaction. When uncertainties exist regarding determination of the amount, these uncertainties may influence the timing of revenue recognition.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured with no significant uncertainty as to the ultimate collection. In case of significant uncertainty as to the ultimate collection, revenue recognition is postponed till such uncertainty is removed.

i Management fee:

- Management fee from trusts is accrued as per terms of the relevant trust deed / offer document.
- Management fee from borrowers/parties is accrued as per the terms of the relevant contract. However in respect of such fees, the ultimate realization is tested for impairment and in case there are events which suggest significant uncertainty as to the ultimate collection, revenue recognition is postponed to the extent of the uncertainty involved. Revenue in such case is recognized only when such uncertainty is removed.
- Unrealised management fees would be reversed/ provided in earlier of the following situations:
 - If the management fees remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of recognition in case of trusts where the planning period is over , or
 - NAV of the SRs of the trust fall below 50% of face value.

In respect of such trusts no further management fees is recognized unless it is realized.

- ii Any fee income other than (i) above (e.g. advisory fees, etc.) is recognised as per the terms of contract. . However in respect of such fees, the ultimate realization is tested for impairment and in case there are events which suggest significant uncertainty as to the ultimate collection, revenue recognition is postponed to the extent of the uncertainty involved. Revenue in such cases is recognized only when such uncertainty is removed.
- iii Outstanding management fee/ any other fee from borrowers/ parties remaining unpaid for more than 180 days is provided/ reversed. In respect of such cases, no further fee is recognized unless it is realized.
- iv Additional realization of assets over acquisition price on redemption of SR is accounted for as per the terms of relevant trust deed / offer document on actual distribution from the trust after full redemption of the SRs in the trust.
- v Income by way of yield on SRs is recognized on actual distribution from the trusts, after redemption of the principal amount of each class of SRs as per the terms of the relevant trust deed / offer document.
- vi Interest income:
 - Interest on bank deposits placed with banks is accounted on accrual basis.
 - Interest on expenses incurred on behalf of trust(s) is accounted as per terms of the relevant trust deed and offer document and is accrued where reasonable certainty exists with respect to its recovery. Outstanding expenses would be reversed/ provided in earlier of the following situations:

- If the interest on expenses remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of charging of such interest in case in trusts where the planning period is over, or
- NAV of the SRs of the trust fall below 50% of face value.
- Interest on restructuring is accrued as per contract, net of the proportionate share of expenses incurred and management fees charged in the trust.
- Interest on loan is accounted for as per the terms of the contract. In case interest / principal is overdue for more than 180 days from the due date specified in the contract, the loan outstanding is classified as Non Performing Asset and provision is made as per the guidelines issued by the Reserve Bank of India. Unrealized interest on loan is derecognized and further recognition is made only on realisation.

g. Employee Benefits

Defined contribution plan

- The Company makes defined contribution to the provident fund, which is recognized in the profit and loss account on an accrual basis.

Defined benefit plan

- The Company's liabilities under the Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gains and losses are recognised in the statement of profit and loss account as income or expense respectively. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields on the date of balance sheet on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Short term employee benefits

- Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related services are rendered.

h. Expenses incurred for financial assets not acquired

Pre-acquisition expenses in case of acquisition of financial assets from banks/ FIs are recognized immediately in the statement of profit and loss for the period in which such costs are incurred. Wherever subsequently the financial assets are acquired in trust, such expenses are charged to the trust.

i. Expenses incurred by the Company on behalf of the trust

- The expenses incurred on behalf of trusts are shown as 'Recoverable from Trusts' and grouped under Advances recoverable in cash or in kind in the balance sheet. These expenses are reimbursed to the Company in terms of the provisions of the relevant trust deed and offer document.
- These expenses would be reversed/ provided in earlier of the following situations:
 - If the expenses remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of incurrence of such expenses in trusts where the planning period is over, or
 - NAV of the SRs of the trust fall below 50% of face value.

j. Foreign currency transactions

- Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain / loss is reflected in the profit and loss account. Other non-monetary items, like fixed assets, investments in equity shares, are carried in terms of historical cost using the exchange rate at the date of transaction. Premium / Discount, in respect of forward foreign exchange contract is recognised over the life of the contract. Profit / Loss on cancellation / renewal of forward exchange contract is recognised as income / expense for the year.

k. Taxation

- Tax expense comprises current tax and deferred tax.
- Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.
- Deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that apply substantively as on the date of balance sheet. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

- Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.
- At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

l. Operating leases

Operating lease payments are recognised as expenditure in the profit and loss account on a straight line basis, which is representative of the time pattern user's benefit.

m. Provisions, contingent liabilities and contingent assets

Contingent Liabilities are possible but not probable obligations as on the balance sheet date, based on the available evidence. Department appeals, in respect of cases won by the Company, are also considered as Contingent Liabilities. Provisions are recognised when there is a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. Contingent assets are not recognized in the financial statements.

2. NOTES TO THE FINANCIAL STATEMENTS**SHARE CAPITAL****2.01 SHARE CAPITAL****Authorised**

300,000,000 (Previous Year 210,000,000) Equity Shares of ₹ 10/- each
 150,000,000 Redeemable Preference Shares of ₹ 10/- each

Issued, Subscribed and Paid-up

241,250,000 (Previous Year 210,000,000) Equity Shares of ₹ 10/- each
 fully paid up

Total

| | As at 31.03.2015 ₹ | As at 31.03.2014 ₹ |
|--|--------------------------|--------------------------|
| | | |
| | 3,000,000,000 | 2,100,000,000 |
| | 1,500,000,000 | - |
| | 4,500,000,000 | 2,100,000,000 |
| | | |
| | 2,412,500,000 | 2,100,000,000 |
| | 2,412,500,000 | 2,100,000,000 |

Note a.

The Company has only one class of issued shares referred to as equity shares having a Face Value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The preference shares (not issued), forming part of Authorised Capital, have a face value of ₹ 10/-. Each holder of such preference shares would be entitled to one vote per share on resolutions placed which directly affects the rights of such preference shares.

Note b.

| Particulars | Equity Shares | | | |
|---|------------------|---------------|------------------|---------------|
| | As at 31.03.2015 | | As at 31.03.2014 | |
| | Number | ₹ | Number | ₹ |
| Shares outstanding at the beginning of the year | 210,000,000 | 2,100,000,000 | 210,000,000 | 2,100,000,000 |
| Shares Issued during the year | 31,250,000 | 312,500,000 | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 241,250,000 | 2,412,500,000 | 210,000,000 | 2,100,000,000 |

Note c.

Out of Equity shares issued by the Company, shares held by each shareholder, holding more than 5 percent shares specifying the number of shares held are as below:

| Particulars | As at 31.03.2015 | | As at 31.03.2014 | |
|------------------------------------|--------------------|--------------|--------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Equity Shares: | | | | |
| JM Financial Limited | 120,625,000 | 50.00% | 102,900,000 | 49.00% |
| Mr Narotam S Sekhsaria | 36,187,500 | 15.00% | 31,500,000 | 15.00% |
| Indian Overseas Bank | 21,000,000 | 8.70% | 21,000,000 | 10.00% |
| Valiant Mauritius Partners FDI Ltd | 20,320,238 | 8.42% | 16,600,000 | 7.90% |

NOTES TO THE FINANCIAL STATEMENTS

2.02 RESERVES AND SURPLUS**Surplus / (Deficit) in profit and loss account:**

| | | |
|---|---------------|---------------|
| Opening balance | 1,203,709,238 | 721,288,642 |
| (+) Profit for the year | 362,045,744 | 482,420,596 |
| (-) Depreciation due to change in useful life | (54,799) | - |
| Closing balance | 1,565,700,183 | 1,203,709,238 |

Securities Premium Account

| | | |
|---|-------------|---|
| | 187,500,000 | - |
| Less: Premium utilized for share issue expenses | (330,051) | - |
| | 187,169,949 | - |

| | | |
|--------------|----------------------|----------------------|
| Total | 1,752,870,132 | 1,203,709,238 |
|--------------|----------------------|----------------------|

2.03 LONG-TERM BORROWINGS**Secured:**

| | | |
|---|----------------------|----------|
| Term Loans from Bank (Refer note 2.29) | 225,000,000 | - |
| (Secured by way of pledge of investments in security receipts) | | |
| Non Convertible Debentures (Refer note 2.28 & 2.33) | 4,500,000,000 | - |
| (Secured by way of hypothecation of SRs and mortgage of land) | | |
| Long term maturities of finance lease obligations | 4,312,180 | - |
| (Secured by way of hypothecation of vehicles. The lease is repayable on a monthly basis over a period of 48 months) | | |
| Total | 4,729,312,180 | - |

2.04 LONG-TERM PROVISIONS

| | | |
|----------------------------------|------------------|------------------|
| For employee benefits - gratuity | 4,334,361 | 3,463,130 |
| Total | 4,334,361 | 3,463,130 |

NOTES TO THE FINANCIAL STATEMENTS

2.05 SHORT-TERM BORROWINGS**Secured:**

Term Loans from Bank (Refer note 2.29)

(Secured by way of pledge of investments in security receipts)

Unsecured:**Other loans & advances**

Commercial Papers

Less: Unamortised Interest on commercials papers

Inter Corporate Deposits

Total

| | As at 31.03.2015 ₹ | As at 31.03.2014 ₹ |
|--|--------------------------|--------------------------|
| | | |
| | 75,000,000 | - |
| | | |
| | 6,500,000,000 | 500,000,000 |
| | (180,628,018) | (10,562,817) |
| | 6,319,371,982 | 489,437,183 |
| | | |
| | - | 1,500,000,000 |
| | 6,394,371,982 | 1,989,437,183 |

2.06 TRADE PAYABLES

Total outstanding dues to micro enterprises & small enterprises

Total outstanding dues to creditors other than micro & small enterprises

| | As at 31.03.2015 ₹ | As at 31.03.2014 ₹ |
|--|--------------------------|--------------------------|
| | | |
| | - | - |
| | 2,020,981 | 839,374 |
| | 2,020,981 | 839,374 |

2.07 OTHER CURRENT LIABILITIESShort term maturities of finance lease obligations
(Secured by way of hypothecation of vehicles)

Statutory dues

Secured working capital facilities from banks

(Secured by way of pledge of security receipts)

Provision for Taxation (Net of Advance Tax)

Employees benefits payable

Amounts collected on behalf of trusts

Interest accrued but not due

Other Liabilities

Total

| | As at 31.03.2015 ₹ | As at 31.03.2014 ₹ |
|--|--------------------------|--------------------------|
| | | |
| | 1,459,247 | 253,145 |
| | 3,542,596 | 5,875,389 |
| | 10,308 | 1,459,704,546 |
| | | |
| | 5,174,515 | - |
| | 95,731,000 | 90,000,000 |
| | 16,363,427 | 109,611,258 |
| | 272,559,590 | 4,069,880 |
| | 37,281,862 | 25,003,788 |
| | 432,122,545 | 1,694,518,006 |

NOTES TO THE FINANCIAL STATEMENTS

2.08 SHORT-TERM PROVISIONS

For employee benefits - gratuity

For employee benefits - compensated absences

Total

As at
31.03.2015
₹

286,716

3,432,384

3,719,100

As at
31.03.2014
₹

257,898

2,976,058

3,233,956

NOTES TO THE FINANCIAL STATEMENTS

2.09 FIXED ASSETS

Amount in ₹

| Description | GROSS BLOCK | | | | DEPRECIATION/AMORTISATION | | | | NET BLOCK | |
|---|---------------------|------------------|------------------|---------------------|---------------------------|------------------|------------------|--------------------|---------------------|---------------------|
| | As at 01.04.2014 | Additions | Disposals | As at 31.03.2015 | Up to 01.04.2014 | Additions | Deductions | Upto 31.03.2015 | As at 31.03.2015 | As at 31.03.2014 |
| <u>i) TANGIBLE ASSETS:</u> | | | | | | | | | | |
| <u>Owned Assets:</u> | | | | | | | | | | |
| Land & Building | - | 310,000 | - | 310,000 | - | - | - | - | 310,000 | - |
| Furniture and Fixtures | 654,166 | - | - | 654,166 | 369,197 | 67,035 | - | 436,232 | 217,934 | 284,969 |
| Office Equipments | 3,366,811 | 221,736 | 650,430 | 2,938,117 | 3,011,315 | 118,007 | 650,432 | 2,478,890 | 459,227 | 355,496 |
| Computers | 5,596,297 | 953,244 | 672,757 | 5,876,784 | 1,944,874 | 2,242,324 | 617,958 | 3,569,240 | 2,307,544 | 3,651,423 |
| <u>Leased Assets:</u> | | | | | | | | | | |
| Vehicles (refer note below) | 4,115,299 | 6,624,737 | 4,115,299 | 6,624,737 | 3,914,569 | 1,276,964 | 4,115,299 | 1,076,234 | 5,548,503 | 200,730 |
| Total | 13,732,573 | 8,109,717 | 5,438,486 | 16,403,804 | 9,239,955 | 3,704,330 | 5,383,689 | 7,560,596 | 8,843,208 | 4,492,618 |
| <u>ii) INTANGIBLE ASSETS:</u> | | | | | | | | | | |
| Software | 8,051,678 | 187,501 | 148,341 | 8,090,837 | 2,412,317 | 1,610,532 | 148,341 | 3,874,508 | 4,216,329 | 5,639,360 |
| Total | 8,051,678 | 187,501 | 148,341 | 8,090,837 | 2,412,317 | 1,610,532 | 148,341 | 3,874,508 | 4,216,329 | 5,639,360 |
| <u>iii) Capital WIP</u> | | | | | | | | | | |
| Lease Hold Improvements | - | 639,048 | - | 639,048 | - | - | - | - | 639,048 | - |
| <u>iv) INTANGIBLE ASSETS UNDER DEVELOPMENT</u> | | | | | | | | | | |
| Development of website | - | 59,461 | - | 59,461 | - | - | - | - | 59,461 | - |
| Total | 21,784,251 | 8,995,727 | 5,586,827 | 25,193,150 | 11,652,272 | 5,314,862 | 5,532,030 | 11,435,104 | 13,758,046 | 10,131,978 |
| Previous Year | 21,058,528 | 1,239,892 | 514,169 | 21,784,251 | 7,925,667 | 4,233,185 | 506,579 | 11,652,273 | 10,131,978 | |

Note:

Vendor has lien over the assets taken on lease.

NOTES TO THE FINANCIAL STATEMENTS

2.10 DEFERRED TAX ASSETS (NET)

Differences in the tax and books - written down value of fixed assets

Due under finance lease

Provision for gratuity

Preliminary expenses

Compensated absences

Impairment of investments

Share Issue Expenses

Total

As at
31.03.2015
₹

155,453

75,772

1,570,704

2,697,174

1,166,668

-

135,960

5,801,731

As at
31.03.2014
₹

(104,996)

17,816

1,264,777

-

1,011,562

9,434,313

-

11,623,472**2.11 LONG TERM LOANS AND ADVANCES****Other loans and advances**

Secured, considered good:

Loan funds

Unsecured, considered good:

Staff loans

Advance Tax (Net of provisions)

Advance recoverable in cash or kind

Other deposits

Less: Provision for advances

Less: Provision for loans

Total

As at
31.03.2015
₹

116,642,857

-

-

43,470,717

2,539,369

162,652,943

43,470,717

49,750,000

69,432,226

As at
31.03.2014
₹

423,038,655

5,850

8,861,453

19,016,104

608,934

451,530,996

19,016,104

9,950,000

422,564,892**2.12 OTHER NON CURRENT ASSETS****Long Term Trade Receivables**

Trade Receivables outstanding for a period exceeding six months from the date they are due for payment

Secured, considered good

Unsecured, considered good

Unsecured, considered doubtful

Total

Less: Provision for receivables

Total

As at
31.03.2015
₹

-

82,886,532

-

82,886,532

82,886,532

-

As at
31.03.2014
₹

-

55,050,548

-

55,050,548

55,050,548

-

NOTES TO THE FINANCIAL STATEMENTS

2.13 CURRENT INVESTMENT

Other current investments – Available for Sale
(Unquoted- valued at cost)
Investment in Security Receipts of the trusts

(Face Value ₹1,000/- each except otherwise stated)

| | As at 31.03.2015 | | As at 31.03.2014 | |
|---|---------------------|-------------|---------------------|-------------|
| | Nos. of SR | ₹ | Nos. of SR | ₹ |
| 1. JMFARC - BOB 2008 - Trust (Face value ₹ 1/- each, Previous year ₹ 1/- each) | 111,600 | 111,600 | 111,600 | 111,600 |
| 2. JMFARC-SHREE RAMA - Trust (Face value ₹45/- each, Previous year ₹45/- each) | 5,518 | 250,000 | 5,518 | 250,000 |
| 3. JMFARC-BOI 2009 – Trust*## | 48,600 | 48,600,000 | 48,600 | 48,600,000 |
| 4. JMFARC-BOI 2009 I – Trust*## | 36,000 | 36,000,000 | 36,000 | 36,000,000 |
| 5. JMFARC - DB - ICICI – Trust*## | 115,000 | 115,000,000 | 115,000 | 115,000,000 |
| 6. JMFARC - DB - DCB – Trust*## | 7,500 | 7,500,000 | 7,500 | 7,500,000 |
| 7. JMFARC - DB - SBI – Trust*## | 61,000 | 61,000,000 | 61,000 | 61,000,000 |
| 8. JMFARC -Jord - SUUTI Trust*## | 8,000 | 8,000,000 | 8,000 | 8,000,000 |
| 9. JMFARC - Pasupati - SASF – Trust*## (Face value ₹160/- each, Previous year ₹160/- each) | 250,000 | 40,000,000 | 250,000 | 40,000,000 |
| 10. JMFARC -Central bank - Tube – Trust*## | 50,000 | 50,000,000 | 50,000 | 50,000,000 |
| 11. JMFARC -UTI - Tube – Trust*## | 6,000 | 6,000,000 | 6,000 | 6,000,000 |
| 12. JMFARC - Yarn 2010 – Trust*## (Face value ₹327/- each, Previous year ₹327 /- each) | 100,000 | 32,715,898 | 100,000 | 32,715,898 |
| 13. JMFARC - SASF Tube – Trust*## | 62,000 | 62,000,000 | 62,000 | 62,000,000 |
| 14. JMFARC - UCO Bank 2010 - Trust (Face value ₹1 /- each, Previous year ₹904/- each) | 31,500 | 31,500 | 31,500 | 28,474,741 |
| 15. JMFARC - SME Retail 2011 - Trust (Face value ₹1/- each, Previous year ₹ 1/-each) | 13,365 | 13,365 | 13,365 | 13,365 |
| 16. JMFARC-IOB March 2011-Trust*## (Face value - Class A SRs ₹763/- each, Class B SRs ₹1000/- each, Previous year Class A SRs ₹793/- each, Class B SRs ₹1000/- each) | 376,500 | 310,070,980 | 376,500 | 318,671,283 |
| 17. JMFARC-UCO Bank March 2011-Trust | 16,500 | 16,500,000 | 16,500 | 16,500,000 |
| 18. JMFARC-IOB II March 2011-Trust*## (Face value - Class A SRs ₹995/- each, Class B SRs ₹1000/- each, Previous year ₹Class A SRs ₹995/- each, Class B SRs ₹1000/- each) | 110,000 | 109,425,113 | 110,000 | 109,425,113 |
| 19. JMFARC-Central Bank Retail 2011-Trust (Face value ₹535/- each, Previous year ₹623/-each) | 88,872 | 44,314,669 | 88,872 | 55,387,288 |
| 20. JMFARC-Retail June 2011-Trust (Face value - ₹1/- each for Series I, II and III respectively, Previous year Face value - Series I SRs ₹1/- each, Series II SRs ₹1/- each, Series III SRs ₹1/- each) | 469,884 | 469,884 | 469,884 | 469,884 |
| 21. JMFARC-Retail Aug 2011-Trust (Face value ₹1/- each, Previous year ₹1/- each) | 7,039 | 7,039 | 7,039 | 7,039 |
| 22. JMFARC-Swarna 2011-Trust (Face value - Class A ₹.Nil, Class B ₹1000/-, Previous Year Class A ₹ 55/-, Class B ₹ 1000/-each) | 72,199 | 72,199,000 | 196,799 | 79,096,701 |

| | As at 31.03.2015 | | As at 31.03.2014 | |
|---|---------------------|-------------|---------------------|-------------|
| | Nos. of SR | ₹ | Nos. of SR | ₹ |
| 23. JMFARC-Petrochemicals 2012-Trust*# (Face value ₹640/- each, Previous year ₹640/- each) | 190,000 | 121,645,797 | 190,000 | 121,645,797 |
| 24. JMFARC-Synthetic Rubber 2012-Trust (Face value ₹1/- each, Previous year ₹1/-each) | 14,962 | 14,962 | 14,962 | 14,962 |
| 25. JMFARC-Swarna II 2012-Trust*# (Face value - Class A ₹ 628/-, Class B ₹1000/-, Previous Year Class A ₹1000/-, Class B ₹1000/-each) | 78,700 | 54,104,595 | 78,700 | 78,700,000 |
| 26. JMFARC-Kruti 2012-Trust*# (Face value ₹1/- each, Previous year ₹89/- each) | 564,587 | 564,587 | 564,587 | 50,000,000 |
| 27. JMFARC –Green December 2012 - Trust | 23,945 | 23,945,000 | 23,945 | 23,945,000 |
| 28. JMFARC – Media 2013- Trust | 12,500 | 12,500,000 | 12,500 | 12,500,000 |
| 29. JMFARC – Kruti II 2013- Trust*# (Face value ₹691/- each, Previous year ₹1,000/- each) | 686,600 | 474,597,816 | 686,600 | 686,600,000 |
| 30. JMFARC – Media II 2013- Trust*# | 34,030 | 34,030,000 | 34,030 | 34,030,000 |
| 31. JMFARC – Federal Bank March 2013- Trust (Face value ₹834/- each, Previous year ₹ 834/- each) | 70,000 | 58,358,650 | 70,000 | 58,358,650 |
| 32. JMFARC – Textile 2013- Trust*# | 91,000 | 91,000,000 | 91,000 | 91,000,000 |
| 33. JMFARC – Central India 2013- Trust*# | 289,360 | 289,360,000 | 289,360 | 289,360,000 |
| 34. JMFARC – Corp I 2013- Trust*# (Face value ₹435/- each, Previous year ₹634/- each) | 93,000 | 40,452,000 | 93,000 | 59,002,000 |
| 35. JMFARC – Corp II 2013- Trust*# | 58,800 | 58,800,000 | 58,800 | 58,800,000 |
| 36. JMFARC – Corp Textile 2013- Trust*# | 150,000 | 150,000,000 | 150,000 | 150,000,000 |
| 37. JMFARC-Corp Apparel 2013-Trust*# (Face value ₹787/- each, Previous year ₹974/- each) | 120,000 | 94,443,000 | 120,000 | 116,833,000 |
| 38. JMFARC – Corp Biotech 2013- Trust*# | 114,000 | 114,000,000 | 114,000 | 114,000,000 |
| 39. JMFARC-Stancy Textile 2013-Trust (Face value ₹1/- each, Previous year ₹1/- each) | 1,000 | 1,000 | 1,000 | 1,000 |
| 40. JMFARC-Fed Textile 2013-Trust | 8,820 | 8,820,000 | 8,820 | 8,820,000 |
| 41. JMFARC-Hospitality 2013-Trust*# | 107,294 | 107,294,000 | 107,294 | 107,294,000 |
| 42. JMFARC-BOI Textile 2013-Trust# | 41,000 | 41,000,000 | 41,000 | 41,000,000 |
| 43. JMFARC-OBC March 2014-Trust# | 34,500 | 34,500,000 | 34,500 | 34,500,000 |
| 44. JMFARC-Dena Bank March 2014-Trust | 67,000 | 67,000,000 | 67,000 | 67,000,000 |
| 45. JMFARC-UCO March 2014-Trust# (Face value ₹860/- each, Previous year ₹1000/- each) | 462,500 | 397,786,000 | 462,500 | 462,500,000 |
| 46. JMFARC-Gelatine March 2014-Trust*# (Face value ₹911/- each, Previous year ₹1000/- each) | 628,672 | 572,772,000 | 628,672 | 628,672,000 |
| 47. JMFARC-Fed Gelatine March 2014-Trust | 17,500 | 17,500,000 | 17,500 | 17,500,000 |
| 48. JMFARC-SBI March 2014 I-Trust# (Face value ₹996/- each, Previous year ₹1000/- each) | 173,750 | 173,000,000 | 173,750 | 173,750,000 |
| 49. JMFARC-SBI March 2014 II-Trust | 45,250 | 45,250,000 | 45,250 | 45,250,000 |
| 50. JMFARC-Cosmos March 2014-Trust# (Face value ₹895/- each, Previous year ₹1000/- each) | 154,500 | 138,285,000 | 154,500 | 154,500,000 |
| 51. JMFARC-Indian Bank March 2014-Trust# | 44,500 | 44,500,000 | 44,500 | 44,500,000 |
| 52. JMFARC-Petro BOB 2014-Trust*# (Face value ₹958/- each, Previous year ₹1000/- each) | 135,500 | 129,847,553 | 135,500 | 135,500,000 |
| 53. JMFARC-Petro UCO 2014-Trust*# (Face value ₹958/- each, Previous year ₹1000/- each) | 140,000 | 134,159,834 | 140,000 | 140,000,000 |
| 54. JMFARC-Petro CBOI 2014-Trust*# (Face value ₹958/- each, Previous year ₹1000/- each) | 51,500 | 49,351,653 | 51,500 | 51,500,000 |

| | As at 31.03.2015 | | As at 31.03.2014 | |
|---|-------------------------|-----------------------|-----------------------------|----------------------|
| | Nos. of SR | ₹ | Nos. of SR | ₹ |
| 55. JMFARC-OBC March 2014 II –Trust (Face value ₹996/- each, Previous year ₹1000/- each) | 4,760 | 4,743,000 | 4,760 | 4,760,000 |
| 56. JMFARC-BOI March 2014 II –Trust# | 215,750 | 215,750,000 | 215,750 | 215,750,000 |
| 57. JMFARC-UBOI March 2014-Trust# | 66,750 | 66,750,000 | 66,750 | 66,750,000 |
| 58. JMFARC-OBC June 2014-Trust | 8,915 | 8,915,000 | - | - |
| 59. JMFARC-Hotels June 2014-Trust** | 8,648,223 | 8,648,223,000 | - | - |
| 60. JMFARC-Vijaya Bank June 2014-Trust | 25,360 | 25,360,000 | - | - |
| 61. JMFARC-Indian Bank June 2014-Trust# | 32,200 | 32,200,000 | - | - |
| 62. JMFARC-SBI Ceramics June 2014-Trust# (Face value ₹984/- each, Previous year ₹Nil) | 156,000 | 153,502,800 | - | - |
| 63. JMFARC-Central Bank of India June 2014-Trust | 32,000 | 32,000,000 | - | - |
| 64. JMFARC-UBOI June 2014-Trust# | 59,915 | 59,915,000 | - | - |
| 65. JMFARC - ICICI Bank July 2014 -Trust (Face value ₹914/- each, Previous year ₹Nil) | 20,000 | 18,270,000 | - | - |
| 66. JMFARC - LVB Ceramics September 2014 -Trust | 27,900 | 27,900,000 | - | - |
| 67. JMFARC - CSB Ceramics September 2014 -Trust | 32,625 | 32,625,000 | - | - |
| 68. JMFARC - Karnataka Bank December 2014 -Trust | 172,500 | 172,500,000 | - | - |
| 69. JMFARC - SBOP Ceramics December 2014 -Trust | 11,850 | 11,850,000 | - | - |
| 70. JMFARC - SBH Ceramics December 2014 -Trust | 60,000 | 60,000,000 | - | - |
| 71. JMFARC - SBT Ceramics March 2015 -Trust | 23,250 | 23,250,000 | - | - |
| 72. JMFARC - SBI Steel March 2015 -Trust | 93,150 | 93,150,000 | - | - |
| 73. JMFARC - Axis Bank Cement March 2015 -Trust | 230,000 | 230,000,000 | - | - |
| 74. JMFARC - SBM Ceramics March 2015 -Trust | 12,750 | 12,750,000 | - | - |
| 75. JMFARC -Karnataka Bank Cement March 15-Trust | 49,500 | 49,500,000 | - | - |
| 76. JMFARC -Vijaya Bank Ceramics March 15-Trust | 27,000 | 27,000,000 | - | - |
| 77. JMFARC - Rice - June 2010 – Trust | - | - | 129,450 | 59,450,000 |
| 78. JMFARC-Kruti III 2013-Trust | - | - | 360,500 | 360,500,000 |
| | | 14,605,246,295 | | 5,839,509,321 |
| Less: Provision for impairment of investments | | - | | 27,756,143 |
| Total | | 14,605,246,295 | | 5,811,753,178 |
| Notes: | As at 31.03.2015 | | As at 31.03.2014 | |
| 1. Aggregate value of | Cost ₹ | | Cost ₹ | |
| Unquoted Investments | 14,605,246,295 | | 5,811,753,178 | |

*Pledged with banks as security for bank overdraft / cash credit/ short term loan limit
Hypothecated in favour of debenture trustee as security of NCDs issued

NOTES TO THE FINANCIAL STATEMENTS

2.14 TRADE RECEIVABLES

Trade receivables outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good

As at
31.03.2015
₹

204,610,859

204,610,859

Outstanding for a period less than six months from the date they are due for payment

Unsecured, considered good

417,381,226

417,381,226

Total

621,992,085

As at
31.03.2014
₹

13,250,611

13,250,611

454,558,319

454,558,319

467,808,930

2.15 CASH AND BANK BALANCES**Cash and cash equivalents**

Cash in hand

-

-

Balances with banks

In Current Accounts

13,726,654

6,137,077

In Deposit Accounts (with maturity below 3 months)

50,100,000

-

63,826,654

6,137,077

Other bank balances

-

-

Total

63,826,654

6,137,077

2.16 SHORT-TERM LOANS AND ADVANCES

Secured considered good:

Loan Funds

247,247,805

209,967,227

Unsecured considered good:

Staff Loans

300,750

102,472

Advances recoverable in cash or in kind or for value to be received

74,955,048

20,649,613

Others

28,690,641

34,462,048

Total

351,194,244

265,181,360

2.17 REVENUE FROM OPERATIONS

Management and advisory fees

| | | |
|---|---------------|-------------|
| Management and advisory fees | 1,174,344,099 | 562,938,273 |
| Recovery Incentive fees | 26,155,850 | - |
| Interest income on restructuring | 692,441,245 | 370,929,844 |
| Interest income on loans | 114,649,823 | 112,989,530 |
| Profit on redemption of security receipts | 98,893,845 | 141,150,358 |

Interest income on funded expenses

| | | |
|--|------------|-----------|
| Earlier year provision on receivables/ advances written back | 27,756,143 | 7,092,571 |
|--|------------|-----------|

For the year ended
March 31, 2015
₹

For the year ended
March 31, 2014
₹

| | |
|---------------|-------------|
| 1,174,344,099 | 562,938,273 |
| 26,155,850 | - |
| 692,441,245 | 370,929,844 |
| 114,649,823 | 112,989,530 |
| 98,893,845 | 141,150,358 |

| | |
|------------|-----------|
| 5,178,008 | 479,572 |
| 27,756,143 | 7,092,571 |

| | |
|---------------|---------------|
| 2,139,419,013 | 1,195,580,148 |
|---------------|---------------|

Interest income on fixed deposit

| | | |
|----------------------------|---------|-----------|
| Other non-operating income | 380,469 | 1,052,953 |
|----------------------------|---------|-----------|

For the year ended
March 31, 2015
₹

For the year ended
March 31, 2014
₹

| | |
|-----------|-----------|
| 3,712,567 | 7,121,409 |
| 380,469 | 1,052,953 |

| | |
|-----------|-----------|
| 4,093,036 | 8,174,362 |
|-----------|-----------|

Salaries, Bonus and Allowances

| | | |
|--|-----------|-----------|
| Contribution to Provident Fund and Other Funds | 3,684,172 | 3,293,448 |
| Gratuity | 1,853,078 | 589,097 |
| Staff Welfare | 5,803,291 | 120,347 |

For the year ended
March 31, 2015
₹

**For the year ended
March 31, 2014**

| | |
|-------------|-------------|
| 161,077,249 | 146,807,398 |
| 3,684,172 | 3,293,448 |
| 1,853,078 | 589,097 |
| 5,803,291 | 120,347 |

| | |
|-------------|-------------|
| 172,417,790 | 150,810,290 |
|-------------|-------------|

Interest Expense

| | | |
|-----------------------|------------|-----------|
| Other borrowing costs | 12,685,377 | 5,170,375 |
|-----------------------|------------|-----------|

| | | |
|-------|---------------|-------------|
| Total | 1,133,152,089 | 172,745,389 |
|-------|---------------|-------------|

For the year ended
March 31, 2015
₹

For the year ended
March 31, 2014
₹

| | |
|---------------|-------------|
| 1,120,466,712 | 167,575,014 |
| 12.685.377 | 5.170.375 |

| | |
|---------------|-------------|
| 1,133,152,089 | 172,745,389 |
|---------------|-------------|

NOTES TO THE FINANCIAL STATEMENTS

2.21 PROVISION / WRITE OFF FOR RECEIVABLES, LOANS AND INVESTMENTS

Provision for receivables and advances

Provision for loans

Total

For the year ended
March 31, 2015
₹

52,318,151

39,800,000

92,118,151

For the year ended
March 31, 2014
₹

21,981,276

9,950,000

31,931,276**2.22 OTHER EXPENSES**

Space and other cost

Rates & taxes

Insurance premium

Communication expenses

Repairs and maintenance

Professional fees

Auditors Remuneration

-as auditor

-as tax auditor

-for management services (limited review)

Support service charges

Membership & Subscription

Travelling expenses

Electricity

Printing and stationery

Director's fees and commission

Donation

Miscellaneous expenses

Total

For the year ended
March 31, 2015
₹

22,805,290

29,888,123

1,147,861

806,229

3,178,786

8,804,776

477,810

21,236

127,416

19,112,400

257,233

3,144,015

2,382,258

770,747

27,935,000

13,300,000

5,612,542

139,771,722

For the year ended
March 31, 2014
₹

27,021,425

3,256,047

1,307,072

646,520

2,577,602

3,666,121

403,484

21,236

127,416

19,112,400

296,361

1,796,430

1,409,215

511,115

24,040,000

2,027,000

4,892,734

93,112,179

NOTES TO THE FINANCIAL STATEMENTS

2.23 Earning per share

Earning 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 | For the year ended 31 March 2015 | For the year ended 31 March 2014 |
|--|-------------------------------------|-------------------------------------|
| Profit attributable to the equity shareholders for the purpose of basic/ diluted earnings per share (₹) | 362,045,744 | 482,420,596 |
| Weighted average number of equity shares outstanding during the year for basic/ diluted earnings per share | 226,352,740 | 210,000,000 |
| Basic/ diluted earnings per share – (₹) | 1.60 | 2.30 |
| Nominal value per share – (₹) | 10 | 10 |

2.24 Expenditure in Foreign Currency

| Particulars | For the year ended 31 March 2015 | For the year ended 31 March 2014 |
|----------------------------|-------------------------------------|-------------------------------------|
| Staff Welfare Expenses (₹) | 24,060 | - |
| Car Hire Charges (₹) | 20,299 | - |
| Total | 44,359 | - |

2.25 Capital Commitments

| Particulars | For the year ended 31 March 2015 | For the year ended 31 March 2014 |
|--|-------------------------------------|-------------------------------------|
| Estimated amount of contracts remaining to be executed on Capital Account and not provided for (₹) | 15,688,597 | - |

2.26 The Company does not have any pending litigations which would impact its financial position

2.27 The Company have been sanctioned overdraft/cash credit/short term loan limits of ₹ 2,800,000,000 by scheduled banks secured against pledge of investments in security receipts. The Company has also issued Listed Non - Convertible Debentures of ₹ 4,500,000,000 which are secured against first charge on land and hypothecation of security receipts

2.28 Maturity Profile and rate of interest of Non-Convertible Debentures (NCD) face value of ₹ 1,000,000/- each

Amount in ₹

| Particulars | Non Current | | Current | |
|---|----------------------|---------------|--------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| 11.75% Tranche I NCD redeemable in the year 2017-18 * | 1,000,000,000 | - | - | - |
| 12% Tranche II NCD redeemable in the year 2017-18 | 1,000,000,000 | - | - | - |
| 13% NCD redeemable in the year 2019-20 # | 1,000,000,000 | - | - | - |
| 12% Tranche III NCD redeemable in the year 2017-18 | 1,000,000,000 | - | - | - |
| 11.50% Tranche IV NCD redeemable in the year 2018- 19 | 500,000,000 | - | - | - |
| Total | 4,500,000,000 | | | |

*There is Put / call option to the lender and Company after 18 months. Interest 12% after 18 months if put / call option not exercised

Call option to the Company after 3 years

NOTES TO THE FINANCIAL STATEMENTS

2.29 Maturity Profile and rate of interest of Term Loans

Amount in ₹

| Financial Year | Rate of Interest # | Current Year | Previous Year |
|----------------|--------------------|--------------------|---------------|
| 2015-16 | 12.25% | 75,000,000 | - |
| 2016-17 | 12.25% | 225,000,000 | - |
| Total | | 300,000,000 | |

Sanctioned rate of interest is base rate plus 1.25% which was 12.25% in FY 2014-15

2.30 Segment Reporting

The Company operates in one business segment, viz. asset reconstruction and one geographical segment, hence there are no reportable segments.

2.31 Leases

a) Finance Lease

The Company has acquired vehicles under the finance lease agreement. The tenure of the lease agreements ranges between 36 and 60 months with an option to prepayment/foreclosure.

The minimum lease rentals outstanding with respect to these assets are as under:

Amount in ₹

| Particulars | Total minimum lease payment outstanding as at March 31, 2015 | Lease finance charges not due | Present value of the minimum lease payment as at March 31, 2015 | Total minimum lease payment outstanding as at March 31, 2014 | Lease finance charges not due | Present value of the minimum lease payment as at March 31, 2014 |
|--|--|-------------------------------|---|--|-------------------------------|---|
| Not later than 1 year | 2,180,028 | 720,781 | 1,459,247 | 260,940 | 7,795 | 253,145 |
| Later than 1 year but not later than 5 years | 5,125,724 | 813,544 | 4,312,180 | - | - | - |
| Later than 5 years | - | - | - | - | - | - |
| Total | 7,305,752 | 1,534,325 | 5,771,427 | 260,940 | 7,795 | 253,145 |

b) Operating Lease

The current office premises of the Company is under operating lease upto March 31, 2020

The Company has also taken an additional premise in Mumbai under operating lease upto August 31, 2019

The minimum lease rentals outstanding with respect to these assets are as under:

Amount in ₹

| Particulars | Total lease payments outstanding as at | Total lease payments outstanding as at |
|--|--|--|
| | March 31, 2015 | March 31, 2014 |
| Not later than 1 year | 24,282,875 | 19,490,400 |
| Later than 1 year but not later than 5 years | 107,432,850 | - |
| Later than 5 years | - | - |
| Expenditure debited to profit & loss account | 24,078,673 | 27,796,609 |

NOTES TO THE FINANCIAL STATEMENTS

2.32 Employee benefits

A Defined benefit plans

a) Gratuity

Amount in ₹

| Amount recognised in the balance sheet with respect to gratuity | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|-----------------------------------|-----------------------------------|
| Present value of the defined benefit obligation at the year end | 4,621,077 | 3,721,028 |
| Fair value of plan assets | - | - |
| Net liability | 4,621,077 | 3,721,028 |

Amount in ₹

| Amount recognised in salary, wages and employee benefits in the profit and loss account with respect to gratuity | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|--|-----------------------------------|-----------------------------------|
| Current service cost | 582,811 | 637,739 |
| Interest on defined benefit obligations | 379,915 | 301,961 |
| Expected return on plan assets | - | - |
| Net actuarial (gain) loss recognised during the year | 890,352 | (350,603) |
| Past service cost | - | - |
| Net gratuity cost | 1,853,078 | 589,097 |

Amount in ₹

| Reconciliation of present value of the obligation and the fair value of the plan assets: | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|--|-----------------------------------|-----------------------------------|
| Opening defined benefit obligation | 3,721,028 | 3,204,987 |
| Current service cost | 582,811 | 637,739 |
| Interest cost | 379,915 | 301,961 |
| Actuarial (gain)/loss | 890,352 | (350,603) |
| Past service cost | - | - |
| Liability assumed on acquisition/(settled on divestiture) | - | - |
| Benefits paid | (953,029) | (73,056) |
| Closing defined benefit obligation | 4,621,077 | 3,721,028 |

Amount in ₹

| Change in fair value of plan assets | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|--|-----------------------------------|-----------------------------------|
| Opening fair value of the plan assets | - | - |
| Expected return on plan assets | - | - |
| Actuarial (gain)/loss | - | - |
| Contributions by the employer | 953,029 | 73,056 |
| Benefits paid | (953,029) | (73,056) |
| Closing fair value of the plan assets | - | - |

Amount in ₹

| Investment details of plan assets | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|-----------------------------------|-----------------------------------|-----------------------------------|
| Investment details of plan assets | - | - |

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

| Principal actuarial assumptions at the balance sheet date | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|-----------------------------------|-----------------------------------|
| Discount rate | 8.00% | 9.10% |
| Estimated rate of return on plan assets | - | - |
| Retirement age | 60 years | 60 years |
| Salary escalation | 7.00% | 7.00% |

Valuation assumptions

- The estimates of future salary increases, takes into account inflation, seniority, promotion and other relevant factors.
- The above information is certified by the actuary.

b) Compensated absences

As per Company's policy, provision of ₹ 3,432,384/- (previous year ₹ 2,976,058/-) has been made towards compensated absences, calculated on the basis of unutilised leave as on the last day of the financial year.

B Defined contribution plans

Amount recognised as an expense and included in the 'Contribution to provident fund & other funds' ₹3,684,172/- (previous year ₹ 3,293,448/-).

- 2.33** Sub-Rule 7 of Rule 18 of the Companies (Share Capital and Debenture) Rules 2014 requires companies to create Debenture Redemption Reserve ('DRR') for the purpose of redemption of debentures. The said Rule, inter alia, provides that no DRR is required to be created by NBFCs registered with RBI under Section 45-IA in case of privately placed debentures.

The Company, though an NBFC, is also a Securitisation and Reconstruction Company ('SCRC') registered with RBI under Section 3 of the SARFAESI Act 2002. The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 as amended, inter alia, specifies that the provisions of Section 45-IA of RBI Act, 1934 relating to registration shall not apply to an NBFC, which is a SCRC registered with the RBI under Section 3 of SARFAESI Act, 2002. The aforesaid sub-rule, on the similar grounds, also exempts Housing Finance Companies from the requirement of creating DRR. In view of these provisions and background, the management of the Company believes that requirement of creating DRR is not applicable to SCRC. Hence no DRR is created by the Company for the Debentures issued by it during the year under report in the financial statements for the financial year 2014-15.

Additionally, the Company has written to the Ministry of Corporate Affairs to issue the necessary clarification with regard to the above for which the response is awaited.

- 2.34** The Company has spent ₹ 1,13,00,000/- (previous year ₹ NIL) towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof.
- 2.35** Pursuant to the Companies Act, 2013 ('the Act'), becoming effective from 1st April, 2014, the Company has reworked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act. As a result, the charge for depreciation is higher by ₹ 10,72,407/- for the year ended 31st March, 2015. Further, based on transitional provision in Note 7(b) of Schedule II, an amount of ₹ 54,799 /- has been adjusted against the retained earnings.
- 2.36** "Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure."

NOTES TO THE FINANCIAL STATEMENTS

Additional disclosure:

The following additional disclosures have been made taking into account RBI guidelines in this regard:

- a) Name and address of the banks / financial institutions from whom financial assets were acquired and the values at which such assets were acquired from each such bank/ financial institutions.

| Name of the selling bank/ financial institution | Address | Acquisition cost ₹ | % to total |
|---|---|----------------------|--------------|
| Sponsors | | | |
| Indian Overseas Bank * | 763, Anna Salai, Chennai | 8,279,100,000 | 9.20% |
| Sponsors Total | | 8,279,100,000 | 9.20% |
| Non- Sponsors | | | |
| State Bank of India | State Bank Bhavan, Corporate Centre, Madame Came Marg, Mumbai, Maharashtra – 400 021 | 13,196,794,000 | 14.67% |
| Bank of India | Star House, C-5, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 | 11,784,080,000 | 13.10% |
| UCO Bank | Biplabi Trailokya Maharaj Sarani, Kolkata - 700001 | 9,798,500,000 | 10.89% |
| Syndicate Bank | Maker Tower E, II Floor, Cuffe Parade, Colaba, Mumbai - 400005 | 9,170,000,000 | 10.19% |
| Union Bank of India | Union Bank Bhavan, 239 Vidhan Bhavan Marg, Mumbai -400021 | 5,798,500,000 | 6.45% |
| Central Bank of India | Chandermukhi, Nariman Point, Mumbai 400021 | 3,323,034,000 | 3.69% |
| Cosmos Co-operative Bank Ltd | Cosmos Heights, 269/270 Shaniwar Peth, Pune - 411030 | 3,090,000,000 | 3.44% |
| EXIM Bank | Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai - 400005 | 2,738,500,000 | 3.04% |
| Vijaya Bank | 41/2 M. G. Road, Bangalore - 560001 | 2,557,462,102 | 2.84% |
| Bank of Baroda | Kalpataru Heritage Building, 6th floor, Nanik Motwani Lane, Fort, Mumbai - 400023 | 2,263,100,000 | 2.51% |
| State Bank of Mysore | P.B. No. 9727, Kempe Gowda Road, Bangalore - 560009 | 2,110,000,000 | 2.35% |
| The Federal Bank Ltd | Federal Towers, Aluva, Ernakulum, Kerala - 683101 | 1,959,000,000 | 2.18% |
| Indian Bank | 254-260, Avvai, Shanmugam Salai, Royapettah, Chennai - 600014 | 1,534,000,000 | 1.70% |
| Karnataka Bank | Mahavira Circle, Kankanadi, Mangalore - 575002 | 1,505,100,000 | 1.66% |
| State Bank of Travancore | 34, Poojapura, Thiruvananthapuram - 695012 | 1,417,500,000 | 1.58% |
| Oriental Bank of Commerce | Harsh Bhavan, E- Block, Connaught Place, New Delhi - 110001 | 1,239,500,000 | 1.38% |
| State Bank of Hyderabad | Head Office- Gunfoundry, Hyderabad - 500001 | 928,500,000 | 1.03% |
| Canara Bank | 112 J. C. Road, Bangalore | 715,520,000 | 0.80% |
| State Bank of Patiala | The Mall, Patiala - 147105 | 686,526,000 | 0.76% |
| Punjab National Bank | 7, Bhikhaji Cama Place, New Delhi | 677,941,000 | 0.75% |
| State Bank of Bikaner & Jaipur | Tilaknagar, Jaipur - 302005 | 655,000,000 | 0.73% |
| Sicom Ltd | Solitaire Corporate Park, Building No 4, Andheri Kurla Road, Chakala, Andheri (East), Mumbai - 400093 | 628,672,560 | 0.70% |
| Yes Bank | 9th floor Nehru Centre, Worli, Mumbai - 400018 | 544,500,000 | 0.61% |
| Corporation Bank | Mangladevi Temple Road, Mangalore - 575 001 | 535,800,000 | 0.60% |

NOTES TO THE FINANCIAL STATEMENTS

| Name of the selling bank/ financial institution | Address | Acquisition cost ₹ | % to total |
|---|--|-----------------------|----------------|
| HSBC | 52/60, M. G. Road, Fort, Mumbai - 400001 | 490,288,000 | 0.55% |
| Axis Bank | Maker Towers F, 13th Floor, Cuffe Parade, Mumbai - 400005 | 367,250,000 | 0.41% |
| Stressed Asset Stabilisation Fund | IDBI Tower, 10th Floor, WTC Complex, Cuffe Parade, Mumbai - 400005 | 312,000,000 | 0.35% |
| Ratnakar Bank | One India Bulls Center, Tower 2, 6th Floor, 841, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013 | 250,000,000 | 0.28% |
| Catholic Syrian Bank | CSB Bhavan, St. Mary's College Road, Thrissur, | 217,500,000 | 0.24% |
| HUDCO | HUDCO Bhawan, Core-7-A, India Habitat Centre, Lodhi Road, New Delhi - 110 003 | 213,444,661 | 0.24% |
| Lakshmi Vilas Bank | LVB House, 4/1, Sardar Patel Road, guindy, Chennai - 600032. Tamil Nadu | 186,000,000 | 0.21% |
| Deutsche Bank | DB House, Hazarimal Somani Marg, Fort, Mumbai 400001 | 183,500,000 | 0.20% |
| Dena Bank | C -10, G Block, Bandra Kurla Complex, Mumbai-400051 | 142,916,048 | 0.16% |
| IDBI Bank | IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005 | 100,000,000 | 0.11% |
| Specified Undertaking of UTI | UTI Tower, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 | 73,000,000 | 0.08% |
| Allahabad Bank | 2, Netaji Subhash Road, Kolkata - 700001 | 65,000,000 | 0.07% |
| Rupee Co-operative Bank | 2062, Sadashiv Peth, Astang Ayurved Building, Pune-411030 | 60,000,000 | 0.07% |
| BNP Paribas | Unit No 203, Sakar II, Ellisbridge, Ahmedabad 380006 | 33,870,000 | 0.04% |
| Standard Chartered Bank | 23, Narain Manzil, Barakhamba Road, New Delhi-110001 | 25,930,000 | 0.03% |
| ICICI Bank | ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051 | 20,000,000 | 0.02% |
| The Saraswat Co-op Bank Ltd | Mittal Court 'A' Wing 1st Floor, Nariman Point, Mumbai - 400004 | 19,100,000 | 0.02% |
| The Nashik Road Deolali Vyapari Sahakari Bank Ltd | Kalpavruksha, Aashanagar, Nashikroad, Nashik, Maharashtra - 422101 | 15,000,000 | 0.02% |
| Life Insurance Corporation of India | Yogakshema, Jeevan Bima Marg, Mumbai - 400021 | 14,962,620 | 0.02% |
| Bank of Bahrain & Kuwait B.S.C | Jolly Maker Chamber, 2, Ground Floor, Nariman point, Mumbai - 400021 | 13,909,236 | 0.02% |
| UTI Mutual Fund | UTI Tower, Gn Block, Bandra Kurla Complex, Bandra (East) 400051 | 6,000,000 | 0.01% |
| Non Sponsors Total | | 81,667,200,227 | 90.80% |
| Grand Total | | 89,946,300,227 | 100.00% |

* Indian Overseas Bank has ceased to be a Sponsor with effect from September 22, 2015

NOTES TO THE FINANCIAL STATEMENTS

b) Dispersion of various assets industry wise.

| Industry | Acquisition Price in ₹ | % to total |
|------------------------|------------------------|----------------|
| Hospitality | 42,534,268,000 | 47.29% |
| Textiles | 8,421,478,747 | 9.36% |
| Real Estate | 7,244,248,028 | 8.05% |
| Ceramics | 4,095,700,000 | 4.55% |
| Iron & Steel | 3,320,100,000 | 3.69% |
| Plywood/ laminates | 2,577,600,000 | 2.87% |
| Retail | 2,369,110,632 | 2.63% |
| Airlines | 2,300,000,000 | 2.56% |
| Chemicals | 1,287,355,578 | 1.43% |
| Information Technology | 1,264,626,000 | 1.41% |
| Media | 1,147,103,106 | 1.28% |
| Trading | 1,147,057,560 | 1.28% |
| Leather | 1,071,500,000 | 1.19% |
| Pharmaceuticals | 871,861,786 | 0.97% |
| Infrastructure | 786,800,000 | 0.87% |
| Healthcare | 767,500,000 | 0.85% |
| Paper | 717,900,000 | 0.80% |
| Food Products | 684,247,208 | 0.76% |
| Metals | 681,400,000 | 0.76% |
| Engineering | 675,300,000 | 0.75% |
| Cement | 633,000,000 | 0.70% |
| Plastics | 582,800,000 | 0.65% |
| Packaging | 580,153,456 | 0.64% |
| Poultry | 548,419,347 | 0.61% |
| Plantation | 476,254,195 | 0.53% |
| Power | 429,200,000 | 0.48% |
| Transportation | 387,400,000 | 0.43% |
| Electronic | 374,845,805 | 0.42% |
| Education | 338,369,780 | 0.38% |
| Agro Products | 291,300,000 | 0.32% |
| Gems & Jewellery | 177,700,000 | 0.20% |
| Paints | 69,100,000 | 0.08% |
| Alcohol | 51,800,000 | 0.06% |
| Granite | 43,400,000 | 0.05% |
| Coal | 43,300,000 | 0.05% |
| Others | 954,101,000 | 1.05% |
| Grand Total | 89,946,300,227 | 100.00% |

c) The above table (b) has been prepared by management and the same has been relied upon by the auditors.

d) The acquisition price in the tables (a) and (b) above includes financial assets acquired till March 31, 2015 including financial assets resolved till date.

e) Restructuring Loan disbursed to one borrower amounting to ₹ 9.95 crore, classified as non- performing asset in FY 2013-14 has been reclassified from sub-standard asset to doubtful asset during the year. A provision of 50%, ₹ 4.98 crore (including additional provision of ₹3.98 crore in the current year) has been made on the same as per RBI guidelines.

f) The accounting policies adopted by the Company in preparation and presentation of the financial statements are in conformity with the applicable prudential norms prescribed by the RBI.

g) The Company has put in place internal audit system, scope of which provides for periodical checks and review of the assets acquisition procedures and asset reconstruction measures and the matters related thereto.

h) The capital adequacy ratio is well above fifteen percent of its total risk weighted assets, accordingly the Company has complied with the capital adequacy norms as prescribed the RBI.

NOTES TO THE FINANCIAL STATEMENTS

i) Additional disclosure as per RBI Notification No. DBNS.PD (SC/RC). 8/ CGM (ASR) dated April 21, 2010.

| Particulars | Amount in ₹ (face value) |
|---|-----------------------------|
| Value of financial assets acquired during the financial year either in its own books or in the books of the trust | 50,271,400,000 |
| Value of financial assets realized during the financial year | 3,769,474,203 |
| Value of financial assets outstanding for realization as at the end of the financial year | 82,277,664,574 |
| Value of Security Receipts redeemed partly during the financial year | 2,269,175,206 |
| Value of Security Receipts redeemed fully during the financial year | 489,950,000 |
| Value of Security Receipts pending for redemption as at the end of the financial year | 83,977,637,726 |
| Value of Security Receipts which could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the Securitization company or Reconstruction company under Paragraph 7(6)(ii) or 7(6)(iii) | Nil |
| Value of land and/or building acquired in ordinary course of business of reconstruction of assets | Nil |

j) Additional disclosure as per RBI Notification No. DNBS (PD) CC. No. 41/SCRC/26.03.001/2014-2015 dated August 5, 2014 (for acquisitions made after August 5, 2014):

- i) None of the assets have been acquired at a price higher than the book value (value of assets declared by seller bank in the auction).
- ii) None of the assets have been disposed of during the financial year at a discount of more than 20% of its valuation as on the previous year end.
- iii) In none of the trusts, the value of the SRs have declined substantially below the acquisition value.

NOTES TO THE FINANCIAL STATEMENTS

2.37 Disclosure in respect of related parties pursuant to Accounting Standard 18:

Enterprise which is able to exercise significant influence

JM Financial Limited

Key managerial personnel

Mr. Anil Bhatia- Managing Director and Chief Executive Officer

During the year the following transactions were carried out with the related parties in the ordinary course of business:

| Sr. No. | Name of the Related Party | Nature of relationship | Amount in ₹ | |
|----------|---|--|---------------|------------|
| | | | 2014-15 | 2013-14 |
| 1 | JM Financial Limited | Enterprise which is able to exercise significant influence | | |
| | Inter Corporate Deposit taken | | 2,150,000,000 | - |
| | Inter Corporate Deposit paid | | 2,150,000,000 | - |
| | Interest on Inter Corporate Deposits paid | | 70,351,369 | - |
| | Borrowing by way of Non Convertible Debentures | | 700,000,000 | - |
| | Interest on Non Convertible Debentures application money paid | | 1,495,890 | - |
| | Interest on Non Convertible Debentures accrued but not due | | 47,619,178 | - |
| | Equity contribution | | 283,600,000 | - |
| | | | | |
| 2 | Mr. Anil Bhatia | Key Managerial Personnel | | |
| | Remuneration | | 47,254,206 | 41,408,300 |
| | | | | |

Independent Auditor's Report

TO THE MEMBERS OF JM FINANCIAL ASSET RECONSTRUCTION COMPANY PRIVATE LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of JM Financial Asset Reconstruction Company Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statement, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by section 143(3) of the Act, we further report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
 - e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
 - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i) The Company does not have any pending litigations which would impact its financial position;
 - ii) The Company did not have any long-term contracts including derivative contracts as at Balance sheet date; as such the question of commenting on any material foreseeable losses thereon does not arise;
 - iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Registration No 105146W

Hasmukh B Dedhia
Partner (F - 33494)
Place: Mumbai
Date: May 10, 2016

Independent Auditor's Report

(Contd.)

Annexure A referred to in paragraph 7 Our Report of even date to the members of JM Financial Asset Reconstruction Company Private Limited on the Financial Statements of the company for the year ended 31st March, 2016

On the basis of such checks as we considered appropriate, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) According to the information and explanations given to us and based on the records of the company examined by us, fixed assets have been physically verified by the management at regular intervals; and no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and based on the records of the company examined by us, title deed of an immovable property is held in the name of the company.
- (ii) The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause 3 (ii) of the Order is not applicable to it.
- (iii) The company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the Act. Hence the requirement of clause 3 (iii) of the order is not applicable.
- (iv) According to the records of the company examined by us and as per the information and explanations given to us, The Company has not granted any loans covered under Section 185 and 186.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub section (1) of Section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, value added tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, value added tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- (viii) According to the information and explanations given to us and based on the records of the company examined by us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, Government or dues to debenture holders.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence the provision of clause 3(ix) of the Order is not applicable to it.
- (x) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

- (xi) According to the information and explanations given to us and based on the records of the company examined by us, the Company being a private limited company as per provisions of Section 2(68) read with Section 2(71) the Act, the provisions of Section 197 read with schedule V to the Act, pertaining to managerial remuneration, are not applicable to it.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on the records of the company examined by us, the Company has complied with the provisions of Section 177 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014. The transactions with related parties entered into by the Company, disclosures whereof are made as per applicable Accounting Standards, do not attract the provisions of Section 188 of the Act.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, clause 3(xiv) of the Order is not applicable.
- (xv) According to the records of the Company examined in course of our audit and as per the information and explanations given to us, the Company has not entered in any non-cash transactions with directors or persons connected with them. Hence, provisions of Section 192 are not applicable to the Company.
- (xvi) The Company being a Securitisation and Reconstruction Company ('SCRC') under SARFAESI Act 2002, it is not required to registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Registration No 105146W

Hasmukh B Dedhia
Partner (F - 33494)

Place: Mumbai
Date: May 10, 2016

Independent Auditor's Report

(Contd.)

Annexure B referred to in paragraph 8(f) of Our Report of even date to the members of JM Financial Asset Reconstruction Company Private Limited on the Financial Statements of the company for the year ended 31st March, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of JM Financial Asset Reconstruction Company Private Limited ("the Company") as of 31st March 2016 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting are established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

Internal financial control over financial reporting is a process designed by the Company to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Further, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate owing to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate or for other reasons.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Registration No 105146W

Hasmukh B Dedhia
Partner (F - 33494)

Place: Mumbai
Date: May 10, 2016

Balance Sheet

as at March 31, 2016

| | Note | As at March 31, 2016 ₹ | As at March 31, 2015 ₹ |
|---|-------|------------------------------|------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share Capital | 2.1 | 2,412,500,000 | 2,412,500,000 |
| Reserves and Surplus | 2.2 | 2,836,476,565 | 1,752,870,132 |
| | | 5,248,976,565 | 4,165,370,132 |
| Non-current liabilities | | | |
| Long-term borrowings | 2.3 | 3,502,755,987 | 4,729,312,180 |
| Long-term provisions | 2.4 | 5,052,503 | 4,334,361 |
| | | 3,507,808,490 | 4,733,646,541 |
| Current liabilities | | | |
| Short-term borrowings | 2.5 | 2,664,478,576 | 6,394,371,982 |
| Trade payables | 2.6 | 1,669,977 | 2,020,981 |
| Other current liabilities | 2.7 | 1,971,703,427 | 432,122,545 |
| Short-term provisions | 2.8 | 5,603,972 | 3,719,100 |
| | | 4,643,455,952 | 6,832,234,608 |
| TOTAL | | 13,400,241,007 | 15,731,251,281 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | 2.9 | | |
| (i) Tangible assets | | 28,544,441 | 9,482,256 |
| (ii) Intangible assets | | 5,017,926 | 4,216,329 |
| (iii) Intangible assets under development | | - | 59,461 |
| Deferred tax assets (net) | 2.10 | 76,382,337 | 5,801,731 |
| Long-term loans and advances | 2.11 | 249,104,591 | 69,432,226 |
| Other non-current assets | 2.12 | | |
| | | 359,049,295 | 88,992,003 |
| Current assets | | | |
| Current investments | 2.13 | 12,262,429,440 | 14,605,246,295 |
| Trade receivables | 2.14 | 335,733,378 | 621,992,085 |
| Cash and bank balances | 2.15 | 23,405,465 | 63,826,654 |
| Short-term loans and advances | 2.16 | 419,623,429 | 351,194,244 |
| | | 13,041,191,712 | 15,642,259,278 |
| TOTAL | | 13,400,241,007 | 15,731,251,281 |
| Significant accounting policies and notes to the financial statements | 1 & 2 | | |

As per our attached report of even date
For and on behalf of Khimji Kunverji & Co
Chartered Accountants
Registration No: 105146W

Hasmukh B Dedhia
Partner
Membership No. F-33494

Date : May 10, 2016
Place: Mumbai

For and on behalf of the Board of Directors

VP Shetty
Executive Chairman
(DIN 00021773)

Nikhil Bhandary
Company Secretary

Anil Bhatia
Managing Director & CEO
(DIN-01310959)

Sabyasachi Ray
Chief Financial Officer

Statement of Profit & Loss

for the year ended March 31, 2016

| | Note | For the year ended March 31, 2016 ₹ | For the year ended March 31, 2015 ₹ |
|---|-------|---|---|
| Income: | | | |
| Revenue From Operations | 2.17 | 3,177,930,587 | 2,139,419,013 |
| Other Income | 2.18 | 12,332,484 | 4,093,036 |
| Total Revenue | | 3,190,263,071 | 2,143,512,049 |
| Expenses : | | | |
| Employee benefits expense | 2.19 | 271,296,366 | 172,417,790 |
| Finance costs | 2.20 | 970,821,864 | 1,133,152,089 |
| Provision/write off for receivables, loans & investments | 2.21 | 252,042,781 | 92,118,151 |
| Depreciation and amortization expense | 2.09 | 10,920,879 | 5,314,861 |
| Other expenses | 2.22 | 101,306,474 | 139,771,722 |
| Total expenses | | 1,606,388,364 | 1,542,774,613 |
| Profit before tax | | 1,583,874,707 | 600,737,436 |
| Tax expense : | | | |
| Current tax | | 571,400,000 | 232,700,000 |
| Deferred tax | | (70,580,606) | 5,991,692 |
| Excess provision for tax in respect of earlier year (net) | | (551,120) | - |
| | | 500,268,274 | 238,691,692 |
| Profit for the year | | 1,083,606,433 | 362,045,744 |
| Earnings per equity share (EPS) | 2.23 | | |
| Basic / Diluted | | 4.49 | 1.60 |
| Significant accounting policies and notes to the financial statements | 1 & 2 | | |

As per our attached report of even date
For and on behalf of Khimji Kunverji & Co
Chartered Accountants
Registration No: 105146W

Hasmukh B Dedhia
Partner
Membership No. F-33494

Date : May 10, 2016
Place: Mumbai

For and on behalf of the Board of Directors

VP Shetty
Executive Chairman
(DIN 00021773)

Nikhil Bhandary
Company Secretary

Anil Bhatia
Managing Director & CEO
(DIN-01310959)

Sabyasachi Ray
Chief Financial Officer

Statement of Cash Flow

for the year ended March 31, 2016

| | For the year ended March 31, 2016 ₹ | For the year ended March 31, 2015 ₹ |
|---|--|--|
| A Cash flow from operating activities | | |
| Profit before tax | 1,583,874,707 | 600,737,436 |
| Adjustment for: | | |
| Depreciation | 10,920,879 | 5,314,861 |
| Write off /reversal of receivables and investments | 128,215,534 | - |
| Provision for receivables, advances and loans | 123,827,247 | 92,118,151 |
| Earlier year provision on receivables / advances w/back | (82,913,989) | (27,756,143) |
| Provision for gratuity | 1,773,963 | 900,049 |
| Provision for/(reversal of) compensated absences | 829,051 | 456,326 |
| Interest expense | 970,821,864 | 1,133,152,089 |
| Operating profit before working capital changes | 2,737,349,256 | 1,804,922,769 |
| Adjustment for: | | |
| (Increase)/decrease in trade receivables | 158,043,171 | (154,183,155) |
| (Increase)/decrease in short-term loans and advances | (68,429,186) | (86,012,884) |
| Increase/(decrease) in trade payables | (351,004) | 1,181,607 |
| Increase/(decrease) in other current liabilities | 1,544,755,400 | (1,267,597,532) |
| Cash generated from/(used in) operations | 4,371,367,637 | 298,310,805 |
| Direct taxes paid | (594,698,282) | (218,664,032) |
| Net cash from/(used in) operating activities | 3,776,669,355 | 79,646,773 |
| B Cash flow from investing activities | | |
| Purchase of current investments - Others | (3,526,566,000) | (9,723,138,000) |
| Sale/ redemption of current investments - Others | 5,869,382,855 | 957,401,026 |
| Purchase of fixed assets | (30,725,199) | (8,995,728) |
| Net cash from/(used in) investment activities | 2,312,091,656 | (8,774,732,702) |
| C Cash flow from financing activities | | |
| Proceeds from issue of share capital – Equity | - | 312,500,000 |
| Securities Premium | - | 187,500,000 |
| Share issue expenses | - | (500,000) |
| (Increase) /decrease in other non- current assets | 82,886,532 | (27,835,984) |
| (Increase) /decrease in long term loans & advances | (284,797,269) | 280,016,600 |
| (Repayment of)/ Proceeds from long-term borrowings | (1,226,556,193) | 4,729,312,180 |
| (Repayment of)/ Proceeds from short-term borrowings | (3,729,893,406) | 4,404,934,799 |
| Interest paid | (970,821,864) | (1,133,152,089) |
| Net cash from/(used in) financing activities | (6,129,182,200) | 8,752,775,506 |
| Net increase/(decrease) in cash & cash equivalents | (40,421,189) | 57,689,577 |
| Cash & cash equivalents (opening) | 63,826,654 | 6,137,077 |
| Cash & cash equivalents (closing) | 23,405,465 | 63,826,654 |

Statement of Cash Flow

for the year ended March 31, 2016 **(Contd.)**

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. Cash and cash equivalents

| Particulars | As at March 31, 2016 ₹ | As at March 31, 2015 ₹ |
|---|------------------------------|------------------------------|
| Cash and cash balances as per note 2.15 | 23,405,465 | 63,826,654 |
| Less: Bank balances not considered as Cash and cash equivalents (as defined in AS 3 - "Cash Flow Statements") | - | - |
| Balance as shown in Cash flow statement (as defined in AS 3 - "Cash Flow Statements") | 23,405,465 | 63,826,654 |

3. Previous year's figures have been regrouped and rearranged wherever necessary

As per our attached report of even date
For and on behalf of Khimji Kunverji & Co
Chartered Accountants
Registration No: 105146W

Hasmukh B Dedhia
Partner
Membership No. F-33494

Date : May 10, 2016
Place: Mumbai

For and on behalf of the Board of Directors

VP Shetty
Executive Chairman
(DIN 00021773)

Nikhil Bhandary
Company Secretary

Anil Bhatia
Managing Director & CEO
(DIN-01310959)

Sabyasachi Ray
Chief Financial Officer

Significant Accounting Policies

to Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting convention

"The financial statements have been prepared in compliance with all material aspects of the applicable Accounting Standards notified under Companies (Accounting Standards) Rules 2006 (as amended), the Guidelines issued by the Reserve Bank of India ('RBI') from time to time and the provisions of the Companies Act, 2013 (the "Act") to the extent applicable.

The financial statements are based on historical cost convention and are prepared on accrual basis, except where impairment is made and revaluation is carried out.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. Accounting Policies not specifically referred to otherwise, are consistent with generally accepted accounting principles.

b. Use of estimates

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of 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.

c. Fixed assets and depreciation

Owned tangible assets

Tangible Fixed Assets are stated at original cost of acquisition less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their present location and working condition.

Depreciation on tangible fixed assets is provided pro-rata basis for the period of use, on the Straight Line Method (SLM), based on management's estimate of useful lives of the fixed assets, or at the rates prescribed in Schedule II to the Act whichever is higher, as per the following table:

| Asset | Useful Life |
|------------------------|--|
| Leasehold improvements | 10 years or period of lease whichever is lower |
| Office equipments | 5 years |
| Computers | 3 years |
| Servers & Networks | 6 years |
| Software | 5 years |
| Motor Vehicles | 5 years |
| Furniture and Fixtures | 10 years |

Assets costing ₹ 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 Financial Statements 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 accounted for at the inception of lease at the fair value of the assets or present value of minimum lease payments whichever is lower. At the end of lease term, asset will revert back to the lessor; hence they are fully depreciated on a straight line basis over the lease term or its useful life whichever is shorter.

At the balance sheet date, assets held for disposal are valued at Written Down Value (WDV) or Net Realisable Value (NRV), whichever is lower.

d. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of the assets exceed its recoverable value. An impairment loss, if any, is charged to the profit and loss account in the year, in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

e. Investments

Investments in Security Receipt (SR) are classified as available for sale category under current assets. They are valued at lower of cost or realizable value. Latest available declared Net Asset Value (NAV) is considered to the realizable value of these investments. In cases where NAV is not declared (since investment is within the planning period of 180 days from the date of acquisition of assets or finalization of resolution strategy, whichever is earlier) cost of SR is considered as realizable value.

All these investments are aggregated for the purpose of arriving at net depreciation/ appreciation of investments under the category. Net depreciation, if any shall be provided for and Net appreciation, if any, shall be ignored.

f. Revenue recognition

Accounting Standard 9 as notified by the Rules specifies that the amount of revenue arising on a transaction is usually determined by agreement between the parties involved in the transaction. When uncertainties exist regarding determination of the amount, these uncertainties may influence the timing of revenue recognition.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured with no significant uncertainty as to the ultimate collection. In case of significant uncertainty as to the ultimate collection, revenue recognition is postponed till such uncertainty is removed.

i. Management fee:

- Management fee from trusts is accrued as per terms of the relevant trust deed / offer document.
- Management fee from borrowers/parties is accrued as per the terms of the relevant contract. However in respect of such fees, the ultimate realization is tested for impairment and in case there are events which suggest significant uncertainty as to the ultimate collection, revenue recognition is postponed to the extent of the uncertainty involved. Revenue in such case is recognized only when such uncertainty is removed.
- Unrealised management fees would be reversed/ provided in earlier of the following situations:
 - If the management fees remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of recognition in case of trusts where the planning period is over, or
 - NAV of the SRs of the trust fall below 50% of face value.

In respect of such trusts no further management fees is recognized unless it is realized.

- ii. Any fee income other than (i) above (e.g. advisory fees, etc.) is recognised as per the terms of contract. However in respect of such fees, the ultimate realization is tested for impairment and in case there are events which suggest significant uncertainty as to the ultimate collection, revenue recognition is postponed to the extent of the uncertainty involved. Revenue in such cases is recognized only when such uncertainty is removed.
- iii. Outstanding management fee/ any other fee from borrowers/ parties remaining unpaid for more than 180 days is provided/ reversed. In respect of such cases, no further fee is recognized unless it is realized.
- iv. Additional realization of assets over acquisition price on redemption of SR is accounted for as per the terms of relevant trust deed / offer document on actual distribution from the trust after full redemption of the SRs in the trust.
- v. Income by way of yield on SRs is recognized on actual distribution from the trusts, after redemption of the principal amount of each class of SRs as per the terms of the relevant trust deed / offer document.
- vi. Interest income:
 - Interest on bank deposits placed with banks is accounted on accrual basis.
 - Interest on expenses incurred on behalf of trust(s) is accounted as per terms of the relevant trust deed and offer document and is accrued where reasonable certainty exists with respect to its recovery. Outstanding expenses would be reversed/ provided in earlier of the following situations:
 - If the interest on expenses remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of charging of such interest in case in trusts where the planning period is over, or

- NAV of the SRs of the trust fall below 50% of face value.

- Interest on restructuring is accrued as per contract, net of the proportionate share of expenses incurred and management fees charged in the trust.
- Interest on loan is accounted for as per the terms of the contract. In case interest / principal is overdue for more than 180 days from the due date specified in the contract, the loan outstanding is classified as Non-Performing Asset and provision is made as per the guidelines issued by the Reserve Bank of India. Unrealized interest on loan is derecognized and further recognition is made only on realisation.

g. Employee Benefits

Defined contribution plan

- The Company makes defined contribution to the provident fund, which is recognized in the profit and loss account on an accrual basis.

Defined benefit plan

- The Company's liabilities under the Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gains and losses are recognised in the statement of profit and loss account as income or expense respectively. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields on the date of balance sheet on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Short term employee benefits

- Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related services are rendered.

h. Expenses incurred for financial assets not acquired

Pre-acquisition expenses in case of acquisition of financial assets from banks/ FIs are recognized immediately in the statement of profit and loss for the period in which such costs are incurred. Wherever subsequently the financial assets are acquired in trust, such expenses are charged to the trust.

i. Expenses incurred by the Company on behalf of the trust

- The expenses incurred on behalf of trusts are shown as 'Recoverable from Trusts' and grouped under Advances recoverable in cash or in kind in the balance sheet. These expenses are reimbursed to the Company in terms of the provisions of the relevant trust deed and offer document.
- These expenses would be reversed/ provided in earlier of the following situations:
 - If the expenses remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of incurrence of such expenses in trusts where the planning period is over, or
 - NAV of the SRs of the trust fall below 50% of face value.

j. Foreign currency transactions

- Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain / loss is reflected in the profit and loss account. Other non-monetary items, like fixed assets, investments in equity shares, are carried in terms of historical cost using the exchange rate at the date of transaction. Premium / Discount, in respect of forward foreign exchange contract is recognised over the life of the contract. Profit / Loss on cancellation / renewal of forward exchange contract is recognised as income / expense for the year.

k. Taxation

- Tax expense comprises current tax and deferred tax.
- Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.

- Deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that apply substantively as on the date of balance sheet. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.
- Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.
- At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

I. Operating leases

Operating lease payments are recognised as expenditure in the profit and loss account on a straight line basis, which is representative of the time pattern user's benefit.

m. Provisions, contingent liabilities and contingent assets

Contingent Liabilities are possible but not probable obligations as on the balance sheet date, based on the available evidence. Department appeals, in respect of cases won by the Company, are also considered as Contingent Liabilities. Provisions are recognised when there is a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. Contingent assets are not recognized in the financial statements.

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2. NOTES TO FINANCIAL STATEMENTS

2.1 SHARE CAPITAL

| | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Authorised: | | |
| 300,000,000 Equity Shares of ₹ 10/- each | 3,000,000,000 | 3,000,000,000 |
| 150,000,000 Redeemable Preference Shares of ₹10/- each | 1,500,000,000 | 1,500,000,000 |
| Issued, Subscribed and Paid-up: | | |
| 241,250,000 Equity shares of ₹ 10/- each fully paid-up | 2,412,500,000 | 2,412,500,000 |
| Total | 2,412,500,000 | 2,412,500,000 |

Note a:

The Company has only one class of issued shares referred to as equity shares having a Face Value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The preference shares (not issued), forming part of Authorised Capital, have a face value of ₹10/-. Each holder of such preference shares would be entitled to one vote per share on resolutions placed which directly affects the rights of such preference shares.

Note b.

| Particulars | Equity Shares | | | |
|---|----------------------|---------------|----------------------|---------------|
| | As at March 31, 2016 | | As at March 31, 2015 | |
| | Number | Amount ₹ | Number | Amount ₹ |
| Shares outstanding at the beginning of the year | 241,250,000 | 2,412,500,000 | 210,000,000 | 2,100,000,000 |
| Shares Issued during the year | - | - | 31,250,000 | 312,500,000 |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 241,250,000 | 2,412,500,000 | 241,250,000 | 2,412,500,000 |

Note c.

Shares in the Company held by each shareholder holding more than 5 percent shares:

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|------------------------------------|----------------------|--------------|----------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Equity Shares: | | | | |
| JM Financial Limited | 120,625,000 | 50.00% | 120,625,000 | 50.00% |
| Mr Narotam S Sekhsaria | 36,187,500 | 15.00% | 36,187,500 | 15.00% |
| Indian Overseas Bank | 21,000,000 | 8.70% | 21,000,000 | 8.70% |
| Valiant Mauritius Partners FDI Ltd | 20,320,238 | 8.42% | 20,320,238 | 8.42% |

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2.2 RESERVES AND SURPLUS

| | As at March 31, | |
|--|----------------------|---------------------------|
| | 2016 ₹ | As at March 31, 2015 ₹ |
| Surplus / (Deficit) in profit and loss account: | | |
| Opening balance | 1,565,700,183 | 1,203,709,238 |
| (+) Profit for the year | 1,083,606,433 | 362,045,744 |
| (-) Depreciation due to change in useful life | - | (54,799) |
| Closing balance | 2,649,306,616 | 1,565,700,183 |
| Securities Premium Account | 187,169,949 | 187,500,000 |
| Less: Premium utilized for share issue expenses | - | (330,051) |
| | 187,169,949 | 187,169,949 |
| Total | 2,836,476,565 | 1,752,870,132 |

2.3 LONG TERM BORROWINGS

| | As at March 31, | |
|---|----------------------|---------------------------|
| | 2016 ₹ | As at March 31, 2015 ₹ |
| Secured: | | |
| Term Loans from Bank (Refer note 2.29) | - | 225,000,000 |
| (Secured by way of pledge of investments in security receipts) | | |
| Non-Convertible Debentures (Refer note 2.28 & 2.33) | 3,500,000,000 | 4,500,000,000 |
| (Secured by way of hypothecation of SRs and mortgage of land) | | |
| Long term maturities of finance lease obligations | 2,755,987 | 4,312,180 |
| (Secured by way of hypothecation of vehicles. The lease is repayable on a monthly basis over a period of 48 months) | | |
| Total | 3,502,755,987 | 4,729,312,180 |

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2.4 LONG-TERM PROVISIONS

| | As at March 31, | |
|----------------------------------|------------------|----------------------|
| | 2016 | As at March 31, 2015 |
| | ₹ | ₹ |
| For employee benefits - gratuity | 5,052,503 | 4,334,361 |
| Total | 5,052,503 | 4,334,361 |

2.5 SHORT-TERM BORROWINGS

| | As at March 31, 2016 | As at March 31, 2015 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Secured: | | |
| Term Loans from Bank (Refer note 2.29) | 300,000,000 | 75,000,000 |
| (Secured by way of pledge of investments in security receipts) | | |
| Unsecured: | | |
| Other loans & advances | | |
| Commercial Papers | 750,000,000 | 6,500,000,000 |
| Less: Unamortised Interest on commercials papers | (5,521,424) | (180,628,018) |
| | 744,478,576 | 6,319,371,982 |
| Inter Corporate Deposits | 1,620,000,000 | - |
| Total | 2,664,478,576 | 6,394,371,982 |

2.6 TRADE PAYABLES

| | As at March 31, 2016 | As at March 31, 2015 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Total outstanding dues to micro enterprises & small enterprises | - | - |
| Total outstanding dues to creditors other than micro & small enterprises | 1,669,977 | 2,020,981 |
| Total | 1,669,977 | 2,020,981 |

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2.7 OTHER CURRENT LIABILITIES

| | As at March 31, 2016 ₹ | As at March 31, 2015 ₹ |
|---|---------------------------|---------------------------|
| Short term maturities of finance lease obligations (Secured by way of hypothecation of vehicles) | 2,328,887 | 1,459,247 |
| Statutory dues | 7,746,668 | 3,542,596 |
| Secured working capital facilities from banks (Secured by way of pledge of security receipts) | 1,474,749,817 | 10,308 |
| Provision for Taxation (Net of Advance Tax) | - | 5,174,515 |
| Employees benefits payable | 167,257,466 | 95,731,000 |
| Amounts collected on behalf of trusts | 24,111,508 | 16,363,427 |
| Interest accrued but not due | 277,563,038 | 272,559,590 |
| Other Liabilities | 17,946,043 | 37,281,862 |
| Total | 1,971,703,427 | 432,122,545 |

2.8 SHORT-TERM PROVISIONS

| | As at March 31, 2016 ₹ | As at March 31, 2015 ₹ |
|--|---------------------------|---------------------------|
| For employee benefits - gratuity | 1,342,537 | 286,716 |
| For employee benefits - compensated absences | 4,261,435 | 3,432,384 |
| Total | 5,603,972 | 3,719,100 |

2.9 FIXED ASSETS

(Amount in ₹)

| | GROSS BLOCK | | | DEPRECIATION/AMORTISATION | | | | NET BLOCK | | |
|--|---------------------|---------------------------|-----------|---------------------------|---------------------|------------|------------|--------------------|---------------------|---------------------|
| | As at 01.04.2015 | Additions for the year | Disposals | As at 31.03.2016 | Up to 01.04.2015 | Additions | Deductions | Upto 31.03.2016 | As at 31.03.2016 | As at 31.03.2015 |
| A) TANGIBLE ASSETS: | | | | | | | | | | |
| Owned Assets: | | | | | | | | | | |
| Land & Building | 310,000 | - | - | 310,000 | - | - | - | - | 310,000 | 310,000 |
| Furniture & Fixtures | 654,166 | 25,905 | - | 680,071 | 436,232 | 68,126 | - | 504,358 | 175,713 | 217,934 |
| Office Equipments | 2,938,117 | 1,571,668 | - | 4,509,785 | 2,478,890 | 365,196 | - | 2,844,086 | 1,665,699 | 459,227 |
| Computers | 5,876,784 | 3,669,722 | - | 9,546,506 | 3,569,240 | 2,078,819 | - | 5,648,059 | 3,898,447 | 2,307,544 |
| Lease Hold Improvements | 639,048 | 21,018,407 | - | 21,657,455 | - | 3,743,099 | - | 3,743,099 | 17,914,357 | 639,048 |
| Leased Assets: | | | | | | | | | | |
| Vehicles | 6,624,737 | 1,895,556 | - | 8,520,293 | 1,076,234 | 2,863,834 | - | 3,940,068 | 4,580,225 | 5,548,503 |
| (refer note below) | | | | | | | | | | |
| Total | 17,042,852 | 28,181,259 | - | 45,224,110 | 7,560,596 | 9,119,074 | - | 16,679,670 | 28,544,441 | 9,482,256 |
| B) INTANGIBLE ASSETS: | | | | | | | | | | |
| Software | 8,090,837 | 2,603,402 | - | 10,694,239 | 3,874,508 | 1,801,805 | - | 5,676,313 | 5,017,926 | 4,216,329 |
| Total | 8,090,837 | 2,603,402 | - | 10,694,239 | 3,874,508 | 1,801,805 | - | 5,676,313 | 5,017,926 | 4,216,329 |
| C) INTANGIBLE ASSETS UNDER DEVELOPMENT | | | | | | | | | | |
| Development of website | 59,461 | - | 59,461 | - | - | - | - | - | - | - |
| Total | 25,193,150 | 30,784,660 | 59,461 | 55,918,349 | 11,435,104 | 10,920,879 | - | 22,355,983 | 33,562,367 | 13,698,585 |
| Previous Year | 21,784,251 | 8,995,727 | 5,586,827 | 25,193,150 | 11,652,272 | 5,314,861 | 5,532,030 | 11,435,104 | 13,758,046 | 10,131,978 |

Note: Vendor has lien over the assets taken on lease.

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2.10 DEFERRED TAX ASSETS (NET)

| | As at March 31, 2016 ₹ | As at March 31, 2015 ₹ |
|---|---------------------------|---------------------------|
| Provision for receivables | 72,198,574 | - |
| Differences in the tax and books - written down value of fixed assets | (1,389,225) | 155,453 |
| Due under finance lease | 174,650 | 75,772 |
| Provision for gratuity | 1,760,056 | 1,570,704 |
| Preliminary expenses | 2,059,661 | 2,697,174 |
| Compensated absences | 1,474,797 | 1,166,668 |
| Share Issue Expenses | 103,824 | 135,960 |
| TOTAL | 76,382,337 | 5,801,731 |

2.11 LONG TERM LOANS AND ADVANCES

| | As at March 31, 2016 ₹ | As at March 31, 2015 ₹ |
|-------------------------------------|---------------------------|---------------------------|
| Other loans and advances | | |
| Secured, considered good: | | |
| Loan funds | 299,500,000 | 116,642,857 |
| Unsecured, considered good: | | |
| Staff loans | 170,098 | - |
| Advance Tax (Net of provisions) | 18,674,886 | - |
| Advance recoverable in cash or kind | 117,520,507 | 43,470,717 |
| Other deposits | 30,259,607 | 2,539,369 |
| | 466,125,098 | 162,652,943 |
| Less: Provision for advances | 117,520,507 | 43,470,717 |
| Less: Provision for loans | 99,500,000 | 49,750,000 |
| Total | 249,104,591 | 69,432,226 |

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2.12 OTHER NON CURRENT ASSETS

| | As at March 31, 2016 ₹ | As at March 31, 2015 ₹ |
|--|---------------------------|---------------------------|
| Long Term Trade Receivables | | |
| Trade Receivables outstanding for a period exceeding six months from the date they are due for payment | - | - |
| Secured, considered good | - | - |
| Unsecured, considered good | - | 82,886,532 |
| Unsecured, considered doubtful | - | - |
| Total | - | 82,886,532 |
| Less: Provision for receivables | - | 82,886,532 |
| Total | - | - |

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2.13 CURRENT INVESTMENT

| | As at March 31, 2016 | | As at March 31, 2015 | |
|--|----------------------|-------------|----------------------|-------------|
| | Nos. of SR | ₹ | Nos. of SR | ₹ |
| Other current investments – Available for Sale (Unquoted- valued at cost) | | | | |
| Investment in Security Receipts of the trusts | | | | |
| (Face Value ₹1,000/- each except otherwise stated) | | | | |
| 1. JMFARC - BOB 2008 - Trust (Face value ₹ 1/- each, Previous year ₹ 1/- each) | 111,600 | 111,600 | 111,600 | 111,600 |
| 2. JMFARC-BOI 2009 – Trust# | 48,600 | 48,600,000 | 48,600 | 48,600,000 |
| 3. JMFARC-BOI 2009 I – Trust*# | 36,000 | 36,000,000 | 36,000 | 36,000,000 |
| 4. JMFARC - DB - ICICI – Trust*# | 115,000 | 115,000,000 | 115,000 | 115,000,000 |
| 5. JMFARC - DB - DCB – Trust*# | 7,500 | 7,500,000 | 7,500 | 7,500,000 |
| 6. JMFARC - DB - SBI – Trust*# | 61,000 | 61,000,000 | 61,000 | 61,000,000 |
| 7. JMFARC -Jord - SUUTI Trust*# | 8,000 | 8,000,000 | 8,000 | 8,000,000 |
| 8. JMFARC - Pasupati - SASF – Trust*# (Face value ₹160/- each, Previous year ₹ 160/- each) | 250,000 | 40,000,000 | 250,000 | 40,000,000 |
| 9. JMFARC -Central bank - Tube – Trust*# | 50,000 | 50,000,000 | 50,000 | 50,000,000 |
| 10. JMFARC -UTI - Tube – Trust*# | 6,000 | 6,000,000 | 6,000 | 6,000,000 |
| 11. JMFARC - Yarn 2010 – Trust*# (Face value ₹ 327/- each, Previous year ₹ 327 /- each) | 100,000 | 32,715,898 | 100,000 | 32,715,898 |
| 12. JMFARC - SASF Tube – Trust*# | 62,000 | 62,000,000 | 62,000 | 62,000,000 |
| 13. JMFARC - SME Retail 2011 - Trust (Face value ₹ 1/- each, Previous year ₹ 1/-each) | 13,365 | 13,365 | 13,365 | 13,365 |
| 14. JMFARC-IOB March 2011-Trust*# (Face value - Class A SRs ₹ 703/- each, Class B SRs ₹ 1000/- each, Previous year Class A SRs ₹ 763/- each, Class B SRs ₹ 1000/- each) | 376,500 | 293,239,372 | 376,500 | 310,070,980 |
| 15. JMFARC-UCO Bank March 2011-Trust | 16,500 | 16,500,000 | 16,500 | 16,500,000 |
| 16. JMFARC-IOB II March 2011-Trust# (Face value - Class A SRs ₹ 982/- each, Class B SRs ₹ 1000/- each, Previous year Class A SRs ₹ 995/- each, Class B SRs ₹ 1000/- each) | 110,000 | 108,168,208 | 110,000 | 109,425,113 |
| 17. JMFARC-Central Bank Retail 2011-Trust (Face value ₹ 424/- each, Previous year ₹ 443/- each) | 88,872 | 37,714,631 | 88,872 | 44,314,669 |

| | | | | |
|--|---------|-------------|---------|-------------|
| 18. JMFARC-Retail June 2011-Trust (Face value - ₹ 1/- each for Series I, II and III respectively, Previous year Face value - Series I SRs ₹ 1/- each, Series II SRs ₹ 1/- each, Series III SRs ₹ 1/-each) | 469,884 | 469,884 | 469,884 | 469,884 |
| 19. JMFARC-Retail Aug 2011-Trust (Face value ₹ 1/- each, Previous year ₹ 1/- each) | 7,039 | 7,039 | 7,039 | 7,039 |
| 20. JMFARC-Swarna 2011-Trust# (Face value - Class A ₹ Nil, Class B ₹ 1000/-, Previous Year Class A ₹ Nil Class B ₹ 1000/-each) | 72,199 | 72,199,000 | 72,199 | 72,199,000 |
| 21. JMFARC-Synthetic Rubber 2012-Trust (Face value ₹ 1/- each, Previous year ₹ 1/-each) | 14,962 | 14,962 | 14,962 | 14,962 |
| 22. JMFARC-Swarna II 2012-Trust*# (Face value - Class A ₹ 628/-, Class B ₹ 1000/-, Previous Year Class A ₹ 628/-, Class B ₹ 1000/-each) | 78,700 | 54,104,595 | 78,700 | 54,104,595 |
| 23. JMFARC-Kruti 2012-Trust*# (Face value ₹ 1/- each, Previous year ₹ 1/- each) | 564,587 | 564,587 | 564,587 | 564,587 |
| 24. JMFARC –Green December 2012 - Trust | 23,945 | 23,945,000 | 23,945 | 23,945,000 |
| 25. JMFARC – Media 2013- Trust | 12,500 | 12,500,000 | 12,500 | 12,500,000 |
| 26. JMFARC – Kruti II 2013- Trust*# (Face value ₹ 676/- each, Previous year ₹ 691/-each) | 686,600 | 464,366,166 | 686,600 | 474,597,816 |
| 27. JMFARC – Media II 2013- Trust*# | 34,030 | 34,030,000 | 34,030 | 34,030,000 |
| 28. JMFARC – Federal Bank March 2013- Trust (Face value ₹ 785/- each, Previous year ₹ 834/-each) | 70,000 | 54,928,650 | 70,000 | 58,358,650 |
| 29. JMFARC – Textile 2013- Trust# (Face value ₹ 1/- each, Previous year ₹ 1000/-each) | 91,000 | 91,000 | 91,000 | 91,000,000 |
| 30. JMFARC – Central India 2013- Trust*# | 289,360 | 289,360,000 | 289,360 | 289,360,000 |
| 31. JMFARC – Corp I 2013- Trust*# (Face value ₹ 435/- each, Previous year ₹ 435/-each) | 93,000 | 40,452,000 | 93,000 | 40,452,000 |
| 32. JMFARC – Corp II 2013- Trust*# | 58,800 | 58,800,000 | 58,800 | 58,800,000 |
| 33. JMFARC – Corp Textile 2013- Trust*# | 150,000 | 150,000,000 | 150,000 | 150,000,000 |
| 34. JMFARC-Corp Apparel 2013-Trust*# (Face value ₹ 1/- each, Previous year ₹ 787/- each) | 120,000 | 120,000 | 120,000 | 94,443,000 |
| 35. JMFARC – Corp Biotech 2013- Trust*# | 114,000 | 114,000,000 | 114,000 | 114,000,000 |
| 36. JMFARC-Stancy Textile 2013-Trust (Face value ₹ 1/- each, Previous year ₹ 1/- each) | 1,000 | 1,000 | 1,000 | 1,000 |
| 37. JMFARC-Fed Textile 2013-Trust | 8,820 | 8,820,000 | 8,820 | 8,820,000 |
| 38. JMFARC-Hospitality 2013-Trust*# | 107,294 | 107,294,000 | 107,294 | 107,294,000 |
| 39. JMFARC-BOI Textile 2013-Trust# | 41,000 | 41,000,000 | 41,000 | 41,000,000 |
| 40. JMFARC-OBC March 2014-Trust# | 34,500 | 34,500,000 | 34,500 | 34,500,000 |
| 41. JMFARC-Dena Bank March 2014-Trust# | 67,000 | 67,000,000 | 67,000 | 67,000,000 |

| | | | | |
|---|-----------|---------------|-----------|---------------|
| 42. JMFARC-UCO March 2014-Trust# (Face value ₹ 837/- each, Previous year ₹ 860/- each) | 462,500 | 387,086,000 | 462,500 | 397,786,000 |
| 43. JMFARC-Gelatine March 2014-Trust*# (Face value ₹ 812/- each, Previous year ₹ 911/- each) | 628,672 | 510,272,000 | 628,672 | 572,772,000 |
| 44. JMFARC-Fed Gelatine March 2014-Trust | 17,500 | 17,500,000 | 17,500 | 17,500,000 |
| 45. JMFARC-SBI March 2014 I-Trust# (Face value ₹ 971/- each, Previous year ₹ 996/- each) | 173,750 | 168,687,500 | 173,750 | 173,000,000 |
| 46. JMFARC-SBI March 2014 II-Trust# | 45,250 | 45,250,000 | 45,250 | 45,250,000 |
| 47. JMFARC-Cosmos March 2014-Trust# (Face value ₹ 783/- each, Previous year ₹ 895/- each) | 154,500 | 120,942,421 | 154,500 | 138,285,000 |
| 48. JMFARC-Indian Bank March 2014-Trust# | 44,500 | 44,500,000 | 44,500 | 44,500,000 |
| 49. JMFARC-Petro BOB 2014-Trust*# (Face value ₹ 764/- each, Previous year ₹ 958/- each) | 135,500 | 103,460,701 | 135,500 | 129,847,553 |
| 50. JMFARC-Petro UCO 2014-Trust*# (Face value ₹ 764/- each, Previous year ₹ 958/- each) | 140,000 | 106,896,665 | 140,000 | 134,159,834 |
| 51. JMFARC-Petro CBOI 2014-Trust*# (Face value ₹ 764/- each, Previous year ₹ 958/- each) | 51,500 | 39,322,703 | 51,500 | 49,351,653 |
| 52. JMFARC-OBC March 2014 II –Trust (Face value ₹ 975/- each, Previous year ₹ 996/- each) | 4,760 | 4,643,000 | 4,760 | 4,743,000 |
| 53. JMFARC-BOI March 2014 II –Trust# | 215,750 | 215,750,000 | 215,750 | 215,750,000 |
| 54. JMFARC-UBOI March 2014-Trust# | 66,750 | 66,750,000 | 66,750 | 66,750,000 |
| 55. JMFARC-OBC June 2014-Trust | 8,915 | 8,915,000 | 8,915 | 8,915,000 |
| 56. JMFARC-Hotels June 2014-Trust # (Face value - Class A ₹ 273/-, Class B ₹ 1000/-, Previous Year Class A ₹1000/-, Class B ₹ 1000/- each) | 6,528,223 | 3,286,587,193 | 8,648,223 | 8,648,223,000 |
| 57. JMFARC-Vijaya Bank June 2014-Trust | 25,360 | 25,360,000 | 25,360 | 25,360,000 |
| 58. JMFARC-Indian Bank June 2014-Trust# | 32,200 | 32,200,000 | 32,200 | 32,200,000 |
| 59. JMFARC-SBI Ceramics June 2014-Trust# (Face value ₹ 984/- each, Previous year ₹ 984/- each) | 156,000 | 153,502,800 | 156,000 | 153,502,800 |
| 60. JMFARC-Central Bank of India June 2014-Trust | 32,000 | 32,000,000 | 32,000 | 32,000,000 |
| 61. JMFARC-UBOI June 2014-Trust# | 59,915 | 59,915,000 | 59,915 | 59,915,000 |
| 62. JMFARC - ICICI Bank July 2014 -Trust* (Face value ₹ 779/- each, Previous year ₹ 914) | 20,000 | 15,574,000 | 20,000 | 18,270,000 |
| 63. JMFARC - LVB Ceramics September 2014 - Trust | 27,900 | 27,900,000 | 27,900 | 27,900,000 |
| 64. JMFARC - CSB Ceramics September 2014 - Trust* | 32,625 | 32,625,000 | 32,625 | 32,625,000 |

| | | | | |
|---|-----------|---------------|---------|-------------|
| 65. JMFARC - Karnataka Bank December 2014 - Trust# | 172,500 | 172,500,000 | 172,500 | 172,500,000 |
| 66. JMFARC - SBOP Ceramics December 2014 - Trust | 11,850 | 11,850,000 | 11,850 | 11,850,000 |
| 67. JMFARC - SBH Ceramics December 2014 - Trust* | 60,000 | 60,000,000 | 60,000 | 60,000,000 |
| 68. JMFARC - SBT Ceramics March 2015 -Trust* | 23,250 | 23,250,000 | 23,250 | 23,250,000 |
| 69. JMFARC - SBI Steel March 2015 -Trust# | 93,150 | 93,150,000 | 93,150 | 93,150,000 |
| 70. JMFARC - Axis Bank Cement March 2015 - Trust* | 230,000 | 230,000,000 | 230,000 | 230,000,000 |
| 71. JMFARC - SBM Ceramics March 2015 -Trust* | 12,750 | 12,750,000 | 12,750 | 12,750,000 |
| 72. JMFARC -Karnataka Bank Cement March 15-Trust* | 49,500 | 49,500,000 | 49,500 | 49,500,000 |
| 73. JMFARC -Vijaya Bank Ceramics March 15-Trust* | 27,000 | 27,000,000 | 27,000 | 27,000,000 |
| 74. JMFARC -ICICI Bank Cement June 2015-Trust | 170,500 | 170,500,000 | - | - |
| 75. JMFARC -SBH Cement June 2015-Trust# | 66,000 | 66,000,000 | - | - |
| 76. JMFARC -United Bank Textile Sept 2015-Trust# | 27,075 | 27,075,000 | - | - |
| 77. JMFARC -United Bank Cement Sept 2015-Trust# | 180,000 | 180,000,000 | - | - |
| 78. JMFARC - CSB September 2015-Trust*# (Face value ₹ 986/- each, Previous year ₹ Nil) | 63,000 | 62,092,500 | - | - |
| 79. JMFARC - Corp Bank Ceramics Sept 2015-Trust# | 46,065 | 46,065,000 | - | - |
| 80. JMFARC - PNB Ceramics November 2015-Trust* | 401,640 | 401,640,000 | - | - |
| 81. JMFARC - PNB December 2015-Trust# | 24,765 | 24,765,000 | - | - |
| 82. JMFARC - SBOP Geometric – Trust | 61,560 | 61,560,000 | - | - |
| 83. JMFARC - SBH December 2015-Trust# | 73,380 | 73,380,000 | - | - |
| 84. JMFARC - Dena Ceramics January 2016 Trust# | 15,750 | 15,750,000 | - | - |
| 85. JMFARC - ICICI Geometric Trust# | 61,500 | 61,500,000 | - | - |
| 86. JMFARC - Axis Bank February 2016 Trust# | 87,500 | 87,500,000 | - | - |
| 87. JMFARC- OBC March 2016- Trust# | 72,000 | 72,000,000 | - | - |
| 88. JMFARC- OBC Cement 2016- Trust# | 49,700 | 49,700,000 | - | - |
| 89. JMFARC - IDBI Ceramics March 2016 Trust | 57,180 | 57,180,000 | - | - |
| 90. JMFARC- Exim Ceramics March 2016 Trust# | 17,101 | 17,101,000 | - | - |
| 91. JMFARC- UCO Geometric March 2016 Trust | 88,965 | 88,965,000 | - | - |
| 92. JMFARC- UBOI Steel March 2016 Trust | 63,000 | 63,000,000 | - | - |
| 93. JMFARC- KVB March 2016 Trust# | 355,095 | 355,095,000 | - | - |
| 94. JMFARC- KVB Iris II March 2016 Trust | 37,500 | 37,500,000 | - | - |
| 95. JMFARC- Indian Bank March 2016 Trust# | 97,515 | 97,515,000 | - | - |
| 96. JMFARC- Indian Bank I March 2016 Trust# | 16,010 | 16,010,000 | - | - |
| 97. JMFARC- IOB March 2016 Trust# | 50,250 | 50,250,000 | - | - |
| 98. JMFARC- Federal Bank March 2016 Trust | 73,350 | 73,350,000 | - | - |
| 99. JMFARC- Iris March 2016 Trust# | 1,000,165 | 1,000,165,000 | - | - |
| 100. JMFARC- Exim Iris March 2016 Trust | 60,000 | 60,000,000 | - | - |
| 101.JMFARC - Axis Iris March 2016 – Trust | 150,000 | 150,000,000 | - | - |
| 102. JMFARC- Axis Iris II March 2016 – Trust# | 60,000 | 60,000,000 | - | - |

| | | | | |
|---|---|---|-----------------------------|-----------------------------|
| 103. JMFARC-SHREE RAMA - Trust (Face value Nil, Previous year ₹ 45/-each) | - | - | 5,518 | 250,000 |
| 104. JMFARC-Petrochemicals 2012-Trust (Face value Nil, Previous year ₹ 640/- each) | - | - | 190,000 | 121,645,797 |
| 105. JMFARC-UCO Bank 2010-Trust (Face value Nil, Previous year ₹ 1/- each) | - | - | 31,500 | 31,500 |
| | | | 12,262,429,440 | 14,605,246,295 |
| Less: Provision for impairment of investments | | - | | - |
| Total | | | 12,262,429,440 | 14,605,246,295 |
| Notes: | | | As at 31.03.2016 | As at 31.03.2015 |
| 1. Aggregate value of | | | Cost ₹ | Cost ₹ |
| | | | | |
| Unquoted Investments | | | 12,262,429,440 | 14,605,246,295 |

**Pledged with banks as security for bank overdraft / cash credit/ short term loan limit
hypothecated in favour of debenture trustee as security of NCDs issued*

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2.14 TRADE RECEIVABLES

| | As at March 31, 2016 ₹ | As at March 31, 2015 ₹ |
|--|---------------------------|---------------------------|
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good | 7,239,510 | 204,610,859 |
| | 7,239,510 | 204,610,859 |
| Outstanding for a period less than six months from the date they are due for payment | | |
| Unsecured, considered good | 328,493,868 | 417,381,226 |
| | 328,493,868 | 417,381,226 |
| | | |
| Total | 335,733,378 | 621,992,085 |

2.15 CASH AND BANK BALANCES

| | As at March 31, 2016 ₹ | As at March 31, 2015 ₹ |
|--|---------------------------|---------------------------|
| Cash and cash equivalents | | |
| Balances with banks | | |
| In Current Accounts | 23,405,465 | 13,726,654 |
| In Deposit Accounts (with maturity below 3 months) | - | 50,100,000 |
| | 23,405,465 | 63,826,654 |
| Other bank balances | - | - |
| Total | 23,405,465 | 63,826,654 |

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2.16 SHORT-TERM LOANS AND ADVANCES

| | As at March 31, 2016 ₹ | As at March 31, 2015 ₹ |
|---|---------------------------|---------------------------|
| Secured considered good: | | |
| Loan Funds | 377,677,889 | 247,247,805 |
| Unsecured considered good: | | |
| Staff Loans | 599,044 | 300,750 |
| Advances recoverable in cash or in kind or for value to be received | 39,862,060 | 74,955,048 |
| Others | 1,484,436 | 28,690,641 |
| Total | 419,623,429 | 351,194,244 |

2.17 REVENUE FROM OPERATIONS

| | For the year ended March 31, 2016 ₹ | For the year ended March 31, 2015 ₹ |
|---|---|---|
| Operating revenue | | |
| Management and advisory fees | 812,423,908 | 1,174,344,099 |
| (Management fees during the year is net of reversals as per RBI Guidelines) | | |
| Recovery Incentive fees | 219,205,053 | 26,155,850 |
| Interest income on restructuring | 343,745,983 | 692,441,245 |
| Interest income on loans | 51,565,163 | 114,649,823 |
| Profit on redemption / sale of security receipts | 1,664,436,041 | 98,893,845 |
| Other operating revenue | | |
| Interest income on funded expenses | 3,640,450 | 5,178,008 |
| Earlier year provision on receivables/ advances written back | 82,913,989 | 27,756,143 |
| Total | 3,177,930,587 | 2,139,419,013 |

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2.18 OTHER INCOME

| | For the year ended March 31, 2016 ₹ | For the year ended March 31, 2015 ₹ |
|----------------------------------|---|---|
| Interest income on fixed deposit | 11,601,737 | 3,712,567 |
| Other non-operating income | 730,747 | 380,469 |
| Total | 12,332,484 | 4,093,036 |

2.19 EMPLOYEE BENEFITS EXPENSE

| | For the year ended March 31, 2016 ₹ | For the year ended March 31, 2015 ₹ |
|--|---|---|
| Salaries, Bonus and Allowances | 255,292,547 | 161,077,249 |
| Contribution to Provident Fund and Other Funds | 4,806,174 | 3,684,172 |
| Gratuity | 918,463 | 1,853,078 |
| Staff Welfare | 10,279,182 | 5,803,291 |
| Total | 271,296,366 | 172,417,790 |

2.20 FINANCE COSTS

| | For the year ended March 31, 2016 ₹ | For the year ended March 31, 2015 ₹ |
|-----------------------|---|---|
| Interest Expense | 968,734,364 | 1,120,466,712 |
| Other borrowing costs | 20,87,500 | 12,685,377 |
| Total | 970,821,864 | 1,133,152,089 |

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2.21 PROVISION / WRITE OFF FOR RECEIVABLES, LOANS AND ADVANCES

| | For the year ended March 31, 2016 ₹ | For the year ended March 31, 2015 ₹ |
|--|---|---|
| INVESTMENTS | | |
| Provision for receivables and advances | 74,077,247 | 52,318,151 |
| Write off/Reversal of Interest | 128,215,534 | - |
| Provision for loans | 49,750,000 | 39,800,000 |
| Total | 252,042,781 | 92,118,151 |

2.22 OTHER EXPENSES

| | For the year ended March 31, 2016 ₹ | For the year ended March 31, 2015 ₹ |
|---|---|---|
| Space and other related cost | 27,099,012 | 22,805,290 |
| Rates & taxes | 6,096,001 | 29,888,123 |
| Insurance premium | 1,278,856 | 1,147,861 |
| Communication expenses | 1,014,899 | 806,229 |
| Repairs and maintenance | 4,037,555 | 3,178,786 |
| Professional fees | 5,744,470 | 8,804,776 |
| <u>Auditors Remuneration</u> | | |
| -as auditor | 561,750 | 477,810 |
| -as tax auditor | 21,400 | 21,236 |
| -for management services (limited review) | 128,400 | 127,416 |
| Support service charges | 19,299,694 | 19,112,400 |
| Membership & Subscription | 625,776 | 257,233 |
| Travelling expenses | 909,137 | 3,144,015 |
| Electricity | 3,354,135 | 2,382,258 |
| Printing and stationery | 1,187,624 | 770,747 |
| Director's fees and commission | 6,000,000 | 27,935,000 |
| Donation | 16,300,000 | 13,300,000 |
| Miscellaneous expenses | 7,647,765 | 5,612,542 |
| Total | 101,306,474 | 139,771,722 |

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2.23 Earning per share

Earning 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 | For the year ended March 31, 2016 ₹ | For the year ended March 31, 2015 ₹ |
|--|---|---|
| Profit attributable to the equity shareholders for the purpose of basic/ diluted earnings per share (₹) | 1,083,606,433 | 362,045,744 |
| Weighted average number of equity shares outstanding during the year for basic/ diluted earnings per share | 241,250,000 | 226,352,740 |
| Basic/ diluted earnings per share – (₹) | 4.49 | 1.60 |
| Nominal value per share – (₹) | 10 | 10 |

2.24 Expenditure in Foreign Currency

| Particulars | For the year ended March 31, 2016 ₹ | For the year ended March 31, 2015 ₹ |
|----------------------------|---|---|
| Staff Welfare Expenses (₹) | 260,796 | 24,060 |
| Car Hire Charges (₹) | - | 20,299 |
| Total | 260,796 | 44,359 |

2.25 Capital Commitments

| Particulars | For the year ended March 31, 2016 ₹ | For the year ended March 31, 2015 ₹ |
|--|---|---|
| Estimated amount of contracts remaining to be executed on Capital Account and not provided for (₹) | - | 15,688,597 |

2.26 The Company does not have any pending litigations which would impact its financial position

2.27 The Company have been sanctioned overdraft/cash credit/short term loan limits of ₹ 3,050,000,000 by scheduled banks secured against pledge of investments in security receipts. The Company has also issued Listed Non - Convertible Debentures of ₹ 3,500,000,000 which are secured against first charge on land and hypothecation of security receipts

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2.28 Maturity Profile and rate of interest of Non-Convertible Debentures (NCD) face value of ₹ 1,000,000/- each

(Amount in ₹)

| Particulars | Non-Current | | Current | |
|---|----------------------|----------------------|--------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| 11.75% Tranche I NCD redeemable in the year 2017-18 * | - | 1,000,000,000 | - | - |
| 12% Tranche II NCD redeemable in the year 2017-18 | 1,000,000,000 | 1,000,000,000 | - | - |
| 13% NCD redeemable in the year 2019-20 # | 1,000,000,000 | 1,000,000,000 | - | - |
| 12% Tranche III NCD redeemable in the year 2017-18 | 1,000,000,000 | 1,000,000,000 | - | - |
| 11.50% Tranche IV NCD redeemable in the year 2018- 19 | 500,000,000 | 500,000,000 | - | - |
| Total | 3,500,000,000 | 4,500,000,000 | | |

**The Company has repaid the NCDs in the current year by exercising Put / call option as per the terms of the NCDs.

Call option to the Company after 3 years

2.29 Maturity Profile and rate of interest of Term Loans

(Amount in ₹)

| Financial Year | Rate of Interest # | Current Year | Previous Year |
|----------------|--------------------|--------------------|--------------------|
| 2016-17 | 11.65% | 300,000,000 | 300,000,000 |
| Total | | 300,000,000 | 300,000,000 |

sanctioned rate of interest is base rate plus 1.25% (currently 11.65%)

2.30 Segment Reporting

The Company operates in one business segment, viz. asset reconstruction and one geographical segment, hence there are no reportable segments.

2.31 Leases

a) Finance Lease

The Company has acquired vehicles under the finance lease agreement. The tenure of the lease agreements ranges between 36 and 60 months with an option to prepayment/foreclosure.

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The minimum lease rentals outstanding with respect to these assets are as under:

(Amount in ₹)

| Particulars | Total minimum lease payment outstanding as at March 31, 2016 | Lease finance charges not due | Present value of the minimum lease payment as at March 31, 2016 | Total minimum lease payment outstanding as at March 31, 2015 | Lease finance charges not due | Present value of the minimum lease payment as at March 31, 2015 |
|--|--|-------------------------------|---|--|-------------------------------|---|
| Not later than 1 year | 2,902,260 | 573,373 | 2,328,887 | 2,180,028 | 720,781 | 1,459,247 |
| Later than 1 year but not later than 5 years | 3,063,320 | 309,107 | 2,754,213 | 5,125,724 | 813,544 | 4,312,180 |
| Later than 5 years | - | - | - | - | - | - |
| Total | 5,965,580 | 882,480 | 5,083,100 | 7,305,752 | 1,534,325 | 5,771,427 |

b) Operating Lease

The current office premises of the Company is under operating lease upto March 31, 2020. The Company has also taken an additional premise in Mumbai under operating lease upto August 31, 2019 and an additional premise in Bangalore under operating lease upto June 14, 2024.

The minimum lease rentals outstanding with respect to these assets are as under:

(Amount in ₹)

| Particulars | Total lease payments outstanding as at March 31, 2016 | Total lease payments outstanding as at March 31, 2015 |
|--|---|---|
| Not later than 1 year | 25,149,960 | 24,282,875 |
| Later than 1 year but not later than 5 years | 73,402,672 | 107,432,850 |
| Later than 5 years | 1,440,005 | - |
| Expenditure debited to profit & loss account | 26,231,343 | 24,078,673 |

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2.32 Employee benefits

A. Defined benefit plans

a) Gratuity

(Amount in ₹)

| Amount recognised in the balance sheet with respect to gratuity | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|-----------------------------------|-----------------------------------|
| Present value of the defined benefit obligation at the year end | 6,395,040 | 4,621,077 |
| Fair value of plan assets | - | - |
| Net liability | 6,395,040 | 4,621,077 |

(Amount in ₹)

| Amount recognised in salary, wages and employee benefits in the profit and loss account with respect to gratuity | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|-----------------------------------|-----------------------------------|
| Current service cost | 651,953 | 582,811 |
| Interest on defined benefit obligations | 410,374 | 379,915 |
| Expected return on plan assets | - | - |
| Net actuarial (gain) loss recognised during the year | (143,864) | 890,352 |
| Past service cost | - | - |
| Net gratuity cost | 918,463 | 1,853,078 |

(Amount in ₹)

| Reconciliation of present value of the obligation and the fair value of the plan assets: | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|-----------------------------------|-----------------------------------|
| Opening defined benefit obligation | 4,621,077 | 3,721,028 |
| Current service cost | 651,953 | 582,811 |
| Interest cost | 410,374 | 379,915 |
| Actuarial (gain)/loss | (143,864) | 890,352 |
| Past service cost | - | - |
| Liability assumed on acquisition/(settled on divestiture) | 1,309,348 | - |
| Benefits paid | (453,848) | (953,029) |
| Closing defined benefit obligation | 6,395,040 | 4,621,077 |

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(Amount in ₹)

| Change in fair value of plan assets | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|--------------------------------------|--------------------------------------|
| Opening fair value of the plan assets | - | - |
| Expected return on plan assets | - | - |
| Actuarial (gain)/loss | - | - |
| Contributions by the employer | 453,848 | 953,029 |
| Benefits paid | (453,848) | (953,029) |
| Closing fair value of the plan assets | - | - |

(Amount in ₹)

| Investment details of plan assets | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Investment details of plan assets | - | - |

(Amount in ₹)

| Principal actuarial assumptions at the balance sheet date | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|--------------------------------------|--------------------------------------|
| Discount rate | 7.95% | 8.00% |
| Estimated rate of return on plan assets | - | - |
| Retirement age | 60 years | 60 years |
| Salary escalation | 7.00% | 7.00% |

Valuation assumptions

- The estimates of future salary increases, takes into account inflation, seniority, promotion and other relevant factors.
- The above information is certified by the actuary.

b) Compensated absences

As per Company's policy, provision of ₹ 4,261,435/- (previous year ₹ 3,432,384/-) has been made towards compensated absences, calculated on the basis of unutilised leave as on the last day of the financial year.

B. Defined contribution plans

Amount recognised as an expense and included in the 'Contribution to provident fund & other funds ₹ 4,806,174/- (previous year ₹ 3,684,172/-).

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2.33 Sub-Rule 7 of Rule 18 of the Companies (Share Capital and Debenture) Rules 2014 requires companies to create Debenture Redemption Reserve ('DRR') for the purpose of redemption of debentures. The said Rule, inter alia, provides that no DRR is required to be created by NBFCs registered with RBI under Section 45-IA in case of privately placed debentures.

The Company, though an NBFC, is also a Securitisation and Reconstruction Company ('SCRC') registered with RBI under Section 3 of the SARFAESI Act 2002. The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 as amended, inter alia, specifies that the provisions of Section 45-IA of RBI Act, 1934 relating to registration shall not apply to an NBFC, which is a SCRC registered with the RBI under Section 3 of SARFAESI Act, 2002. The aforesaid sub-rule, on the similar grounds, also exempts Housing Finance Companies from the requirement of creating DRR. In view of these provisions and background, the management of the Company believes that requirement of creating DRR is not applicable to SCRC. Hence no DRR is created by the Company for the Debentures issued by it during the year under report in the financial statements for the financial year 2015-16.

Additionally, the Company has written to the Ministry of Corporate Affairs to issue the necessary clarification with regard to the above for which the response is awaited.

2.34 Expenditure towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)

- (a) Gross amount required to be spent by the Company during the year – ₹ 13,800,000/- (previous year, ₹ 11,300,000/-)
- (b) Amount spent and paid during the year by way of donations to charitable trusts– ₹ 13,800,000/-(previous year, ₹ 11,300,000/-)

2.35 "Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure."

Additional disclosure:

The following additional disclosures have been made taking into account RBI guidelines in this regard:

- a) Name and address of the banks / financial institutions from whom financial assets were acquired and the values at which such assets were acquired from each such bank/ financial institutions.

| Name of the selling bank/ financial institution | Address | Acquisition cost ₹ | % to total |
|--|--|-----------------------|--------------|
| <u>Sponsors</u> | | | |
| Indian Overseas Bank * | 763, Anna Salai, Chennai | 8,279,100,000 | 7.51% |
| Sponsors Total | | 8,279,100,000 | 7.51% |
| <u>Non- Sponsors</u> | | | |
| State Bank of India | State Bank Bhavan, Corporate Centre, Madame Cama Marg, Mumbai, Maharashtra – 400 021 | 14,539,694,000 | 13.19% |
| Bank of India | Star House, C-5, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 | 11,784,080,000 | 10.69% |
| UCO Bank | Biplabi Trailokya Maharaj Sarani, Kolkata - 700001 | 10,391,600,000 | 9.42% |
| Syndicate Bank | Maker Tower E, II Floor, Cuffe Parade, Colaba, Mumbai - 400005 | 9,170,000,000 | 8.32% |
| Union Bank of India | Union Bank Bhavan, 239 Vidhan Bhavan Marg, Mumbai - 400021 | 6,218,500,000 | 5.64% |
| Punjab National Bank | 7, Bhikhaji Cama Place, New Delhi | 3,520,641,000 | 3.19% |
| Central Bank of India | Chandermukhi, Nariman Point, Mumbai 400021 | 3,514,034,000 | 3.19% |
| EXIM Bank | Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai - 400005 | 3,252,501,000 | 2.95% |
| Cosmos Co-operative Bank Ltd | Cosmos Heights, 269/270 Shaniwar Peth, Pune - 411030 | 3,090,000,000 | 2.80% |
| Karur Vysya Bank | Erode Road, Karur - 639002 | 2,810,000,000 | 2.55% |
| Vijaya Bank | 41/2 M. G. Road, Bangalore - 560001 | 2,557,462,102 | 2.32% |
| ICICI Bank | ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051 | 2,542,700,000 | 2.31% |
| Federal Bank | Federal Towers, Aluva, Ernakulam, Kerala - 683101 | 2,448,000,000 | 2.22% |
| State Bank of Mysore | P.B. No. 9727, Kempe Gowda Road, Bangalore - 560009 | 2,396,000,000 | 2.17% |
| State Bank of Hyderabad | Head Office- Gunfoundry, Hyderabad - 500001 | 2,340,100,000 | 2.12% |

| | | | |
|--------------------------------------|--|---------------|-------|
| Bank of Baroda | Kalpataru Heritage Building, 6th floor, Nanik Motwani Lane, Fort, Mumbai - 400023 | 2,263,100,000 | 2.05% |
| Indian Bank | 254-260, Avvai, Shanmugam Salai, Royapettah, Chennai - 600014 | 2,223,010,000 | 2.02% |
| Oriental Bank of Commerce | Harsh Bhavan, E- Block, Connaught Place, New Delhi - 110001 | 1,769,200,000 | 1.60% |
| State Bank of Travancore | 34, Poojapura, Thiruvananthapuram - 695012 | 1,617,500,000 | 1.47% |
| Axis Bank | Maker Towers F, 13th Floor, Cuffe Parade, Mumbai - 400005 | 1,514,750,000 | 1.37% |
| Karnataka Bank | Mahavira Circle, Kankanadi, Mangalore - 575002 | 1,505,100,000 | 1.37% |
| IDBI Bank | IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005 | 899,900,000 | 0.82% |
| Corporation Bank | Mangladevi Temple Road, Mangalore - 575 001 | 842,900,000 | 0.76% |
| State Bank of Bikaner & Jaipur | Tilaknagar, Jaipur - 302005 | 833,500,000 | 0.76% |
| South Indian Bank | SIB House, Mission Quarters, T B Road, Thrissur, Kerala - 680001 | 793,300,000 | 0.72% |
| Canara Bank | 112 J. C. Road, Bangalore | 715,520,000 | 0.65% |
| State Bank of Patiala | The Mall, Patiala - 147105 | 686,526,000 | 0.62% |
| Catholic Syrian Bank | CSB Bhavan, St. Mary's College Road, Thrissur, | 637,500,000 | 0.58% |
| Sicom Ltd | Solitaire Corporate Park, Building No 4, Andheri Kurla Road, Chakala, Andheri (East), Mumbai - 400093 | 628,672,560 | 0.57% |
| ICICI Bank | ICICI Bank Towers, Bandra- Kurla Complex, Mumbai 400 051 | 600,500,000 | 0.54% |
| Yes Bank | 9th floor Nehru Centre, Worli, Mumbai - 400018 | 544,500,000 | 0.49% |
| HSBC | 52/60, M. G. Road, Fort, Mumbai - 400001 | 490,288,000 | 0.44% |
| United Bank of India | 11, Hemanta Basu Sarani, Kolkata | 360,500,000 | 0.33% |
| Lakshmi Vilas Bank | LVB House,4/1,Sardar Patel Road, guindy,Chennai - 600032. Tamil Nadu | 346,700,000 | 0.31% |
| Indian Overseas Bank | 763, Anna Salai, Chennai | 335,000,000 | 0.30% |
| Stressed Asset Stabilisation Fund | IDBI Tower, 10th Floor, WTC Complex, Cuffe Parade, Mumbai 400005 | 312,000,000 | 0.28% |
| Ratnakar Bank | One India Bulls Center, Tower 2 , 6th Floor,841, Senapati Bapat Marg,Lower Parel (W),Mumbai 400013 | 250,000,000 | 0.23% |
| Dena Bank | C -10, G Block, Bandra Kurla Complex, Mumbai - 400051 | 247,916,048 | 0.22% |
| HUDCO | HUDCO Bhawan, Core-7- A,India Habitat Centre,Lodhi | 213,444,661 | 0.19% |

| | | | |
|---|--|------------------------|----------------|
| | Road, New Delhi - 110 003 | | |
| Bank of Bahrain & Kuwait B.S.C | Jolly Maker Chamber, 2, Ground Floor, Nariman point, Mumbai - 400021 | 191,909,236 | 0.17% |
| Deutsche Bank | DB House, Hazarimal Somani Marg, Fort, Mumbai 400001 | 183,500,000 | 0.17% |
| Allahabad Bank | 2, Netaji Subhash Road, Kolkata - 700001 | 137,300,000 | 0.12% |
| Specified Undertaking of UTI | UTI Tower, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 | 73,000,000 | 0.07% |
| Rupee Co-operative Bank | 2062, Sadashiv Peth, Astang Ayurved Building, Pune-411030 | 60,000,000 | 0.05% |
| BNP Paribas | Unit No 203, Sakar II, Ellisbridge, Ahmedabad 380006 | 33,870,000 | 0.03% |
| Standard Chartered Bank | 23, Narain Manzil, Barakhamba Road, New Delhi-110001 | 25,930,000 | 0.02% |
| The Saraswat Co-op Bank Ltd | Mittal Court 'A' Wing 1st Floor, Nariman Point, Mumbai - 400004 | 19,100,000 | 0.02% |
| Dhanalakshmi Bank | Dhanalakshmi Buildings, Naickanal, Thrissur, Kerala - 680001 | 15,900,000 | 0.01% |
| The Nashik Road Deolali Vyapari Sahakari Bank Ltd | Kalpavruksha, Aashanagar, Nashikroad, Nashik, Maharashtra - 422101 | 15,000,000 | 0.01% |
| Life Insurance Corporation of India | Yogakshema, Jeevan Bima Marg, Mumbai - 400021 | 14,962,620 | 0.01% |
| UTI Mutual Fund | UTI Tower, Gn Block, Bandra Kurla Complex, Bandra (East) 400051 | 6,000,000 | 0.01% |
| Non Sponsors Total | | 101,983,111,227 | 92.49% |
| Grand Total | | 110,262,211,227 | 100.00% |

* Indian Overseas Bank has ceased to be a sponsor with effect from September 22, 2015. Hence, subsequent acquisitions from the same bank have been grouped in Non-Sponsor acquisitions.

b) Dispersion of various assets industry wise.

| Industry | Acquisition Price in ₹ | % to total |
|------------------------|------------------------|----------------|
| Hospitality | 42,534,268,000 | 38.58% |
| Pharmaceuticals | 11,152,161,786 | 10.11% |
| Textiles | 9,450,978,747 | 8.57% |
| Ceramics | 7,680,601,000 | 6.97% |
| Real Estate | 7,261,261,707 | 6.59% |
| Iron & Steel | 4,835,100,000 | 4.39% |
| Plywood/ laminates | 2,577,600,000 | 2.34% |
| Airlines | 2,387,500,000 | 2.17% |
| Retail | 2,372,148,315 | 2.15% |
| Chemicals | 1,937,455,578 | 1.76% |
| Cement | 1,473,200,000 | 1.34% |
| Media | 1,397,103,106 | 1.27% |
| Trading | 1,308,306,199 | 1.19% |
| Information Technology | 1,264,626,000 | 1.15% |
| Leather | 1,071,500,000 | 0.97% |
| Metals | 970,700,000 | 0.88% |
| Plastics | 927,900,000 | 0.84% |
| Packaging | 927,853,456 | 0.84% |
| Food Products | 878,247,208 | 0.80% |
| Infrastructure | 786,800,000 | 0.71% |
| Healthcare | 767,500,000 | 0.70% |
| Paper | 717,900,000 | 0.65% |
| Engineering | 675,300,000 | 0.61% |
| Poultry | 564,429,347 | 0.51% |
| Plantation | 476,254,195 | 0.43% |
| Power | 429,200,000 | 0.39% |
| Transportation | 387,400,000 | 0.35% |
| Electronic | 374,845,805 | 0.34% |
| Education | 338,369,780 | 0.31% |
| Agro Products | 291,300,000 | 0.26% |
| Gems & Jewellery | 177,700,000 | 0.16% |
| Alcohol | 104,500,000 | 0.09% |
| Paints | 69,100,000 | 0.06% |
| Others | 1,693,101,000 | 1.54% |
| Grand Total | 110,262,211,227 | 100.00% |

- c) The above table (b) has been prepared by management and the same has been relied upon by the auditors.
- d) The acquisition price in the tables (a) and (b) above includes financial assets acquired till March 31, 2016 including financial assets resolved till date.
- e) Restructuring Loan disbursed to one borrower amounting to ₹ 9.95 crore, classified as non- performing asset in FY 2013-14 is classified as a doubtful asset as on March 31, 2016. A provision of 100%, ₹ 9.95 crore (including additional provision of ₹ 4.97 crore in the current year) has been made on the same.

- f) The accounting policies adopted by the Company in preparation and presentation of the financial statements are in conformity with the applicable prudential norms prescribed by the RBI.
- g) The Company has put in place internal audit system, scope of which provides for periodical checks and review of the assets acquisition procedures and asset reconstruction measures and the matters related thereto.
- h) The capital adequacy ratio is well above fifteen percent of its total risk weighted assets, accordingly the Company has complied with the capital adequacy norms as prescribed the RBI.
- i) Additional disclosure as per RBI Notification No. DBNS.PD (SC/RC). 8/ CGM (ASR) dated April 21, 2010.

| Particulars | Amount in ₹ (face value) |
|---|-----------------------------|
| Value of financial assets acquired during the financial year either in its own books or in the books of the trust | 20,315,911,000 |
| Value of financial assets realized during the financial year | 9,030,154,725 |
| Value of financial assets outstanding for realization as at the end of the financial year | 93,563,420,849 |
| Value of Security Receipts redeemed partly during the financial year | 5,757,085,094 |
| Value of Security Receipts redeemed fully during the financial year | 331,850,001 |
| Value of Security Receipts pending for redemption as at the end of the financial year | 98,204,613,631 |
| Value of Security Receipts which could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the Securitization company or Reconstruction company under Paragraph 7(6)(ii) or 7(6)(iii) | Nil |
| Value of land and/or building acquired in ordinary course of business of reconstruction of assets | Nil |

j) Additional disclosure as per RBI Notification No. DNBS (PD) CC. No. 41/SCRC/26.03.001/2014-2015 dated August 5, 2014 (for acquisitions made after August 5, 2014):

- i) None of the assets have been acquired at a price higher than the book value (value of assets declared by seller bank in the auction).
- ii) None of the assets (i.e. total purchase consideration paid at the trust level) have been disposed of during the financial year at a discount of more than 20% of its valuation as on the previous year end.
- iii) In none of the trusts, the value of the SRs (i.e. Net Asset Value) have declined substantially below the acquisition value.

INDEPENDENT AUDITOR'S REPORT**To the Members of JM Financial Asset Reconstruction Company Limited****(Formerly known as JM Financial Asset Reconstruction Company Private Limited)****Report on the Financial Statements**

- 1 We have audited the accompanying financial statements of **JM Financial Asset Reconstruction Company Limited** (Formerly known as JM Financial Asset Reconstruction Company Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

- 2 The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement



- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statement, that give a true and

fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements

- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

- 6 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 7 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order
- 8 As required by section 143(3) of the Act, we further report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

- e. on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- g. in our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Company does not have any pending litigations which would impact its financial position (Refer Note 2.32)
 - ii. The Company does not have any long-term contracts including derivative contracts for which there existed any foreseeable losses
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank notes during the period from November 8, 2016 to December 30, 2016 and as explained to us, the same are in accordance with books of accounts and records maintained by the Company. (Refer Note 2.26)

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Registration No 105146W



Hasmukh B Dedhia
Partner (F - 33494)

Place: Mumbai
Date: April 21, 2017





Annexure A referred to in paragraph 7 Our Report of even date to the members of JM Financial Asset Reconstruction Company Limited (Formerly known as JM Financial Asset Reconstruction Company Private Limited) on the Financial Statements of the Company for the year ended March 31, 2017

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) Based on the records of the Company examined by us, fixed assets have been physically verified by the management at regular intervals; as informed to us, no material discrepancies were noticed on such verification;

(c) According to the information and explanations given to us and based on the records of the Company examined by us, title deed of an immovable property is held in the name of the Company
- ii. The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause 3 (ii) of the Order is not applicable to it
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Hence the requirement of clause 3 (iii) of the order is not applicable
- iv. According to the records of the company examined by us and as per the information and explanations given to us, the Company has not granted any loans or advances covered under Section 185 and 186 of the Act
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act
- vii. (a) According to the information and explanations given and based on the records of the Company examined by us, the company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Income-tax, Value Added Tax, Sales Tax, Service Tax, and other material statutory dues applicable to it. There are no undisputed statutory dues remaining outstanding for the period exceeding six months as at the date of the Balance sheet.

We have been informed that Employees' state insurance, Custom duty and Excise Duty are currently not applicable to the Company for the year under audit



(b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Service Tax, Value Added Tax, Sales Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any disputes

We have been informed that Custom duty and Excise Duty are currently not applicable to the Company for the year under audit

- viii. According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to any financial institutions, Banks, Government or dues to debenture holders
- ix. The Company has raised money by way of issue of listed secured non-convertible debentures and term loans. Based on the records of the company examined in course of our audit, the moneys so raised have been utilized for the purpose of business for which the same were raised
- x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees noticed or reported during the course of our audit nor have we been informed of any such instance by the Management
- xi. According to the information and explanations given and based on the records of the company examined by us, the Company has complied with the provisions of Section 197 read with Schedule V to the Companies Act, 2013 pertaining to Managerial Remuneration paid/provided during the year under audit
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, clause 3(xii) of the Order is not applicable
- xiii. According to the information and explanations given to us and based on the records examined by us, the Company has complied with the provisions of Section 177 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014. The transactions with related parties entered into by the Company, disclosures whereof are made as per applicable Accounting Standards, do not attract the provisions of Section 188 of the Act
- xiv. The Company has not made any preferential allotment or private placement of preference shares or fully or partly convertible debentures during the year under review. Hence, clause 3(xiv) of the Order is not applicable



- xv. According to the records of the Company examined in course of our audit and as per the information and explanations given to us, the Company has not entered in any non-cash transactions with directors or persons connected with them during the year under audit. Hence, provisions of Section 192 are not applicable to the Company
- xvi. The Company being a Securitisation and Reconstruction Company ('SCRC') under SARFAESI Act 2002, it is not required to be registered under Section 45 IA of the Reserve Bank of India Act 1934

For Khimji Kunverji & Co
Chartered Accountants
Firm Registration No 105146W

Hasmukh B Dedhia
Partner (F - 33494)



Place: Mumbai
Date: April 21, 2017

Annexure B referred to in paragraph 8(f) of Our Report of even date to the members of JM Financial Asset Reconstruction Company Limited (Formerly known as JM Financial Asset Reconstruction Company Private Limited) on the Financial Statements of the company for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of the company as at 31 March 2017 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting are established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

Internal financial control over financial reporting is a process designed by the Company to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Board of Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Further, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate owing to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate or for other reasons

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Khimji Kunverji & Co
Chartered Accountants
Firm Registration No 105146W



Hasmukh B Dedhia
Partner (F - 33494)

Place: Mumbai
Date: April 21, 2017





**JM FINANCIAL ASSET RECONSTRUCTION
COMPANY LIMITED**

(FORMERLY KNOWN AS JM FINANCIAL ASSET RECONSTRUCTION
COMPANY PRIVATE LIMITED)

Annual Accounts 2017

JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET RECONSTRUCTION COMPANY PRIVATE LIMITED)
BALANCE SHEET AS AT MARCH 31, 2017

| | | ₹ in crore | |
|--|----------|----------------------|----------------------|
| Particulars | Note No. | As at March 31, 2017 | As at March 31, 2016 |
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| a Share Capital | 2.01 | 241.25 | 241.25 |
| b Reserves and Surplus | 2.02 | 338.52 | 283.65 |
| | | 579.77 | 524.90 |
| 2 Non-current liabilities | | | |
| a Long-term borrowings | 2.03 | 340.12 | 350.28 |
| b Other Liabilities | 2.04 | 2.95 | - |
| c Long-term provisions | 2.05 | 0.69 | 0.50 |
| | | 343.76 | 350.78 |
| 3 Current liabilities | | | |
| a Short-term borrowings | 2.06 | 614.98 | 383.92 |
| b Trade payables | 2.07 | 0.82 | 0.17 |
| c Current maturities of long term borrowings | 2.08 | 200.00 | 30.00 |
| d Other current liabilities | 2.09 | 70.24 | 49.70 |
| e Short-term provisions | 2.10 | 0.70 | 0.55 |
| | | 886.74 | 464.34 |
| Total | | 1,810.27 | 1,340.02 |
| II. ASSETS | | | |
| 1 Non-current assets | | | |
| a Fixed assets | 2.11 | | |
| (i) Tangible assets | | 2.17 | 2.85 |
| (ii) Intangible assets | | 0.29 | 0.50 |
| b Deferred tax assets (net) | 2.12 | 13.35 | 7.64 |
| c Long-term loans and advances | 2.13 | 4.21 | 24.91 |
| | | 20.02 | 35.90 |
| 2 Current assets | | | |
| a Current investments | 2.14 | 1,635.40 | 1,226.24 |
| b Trade receivables | 2.15 | 63.75 | 33.58 |
| c Cash and bank balances | 2.16 | 17.88 | 2.34 |
| d Short-term loans and advances | 2.17 | 73.22 | 41.96 |
| | | 1,790.25 | 1,304.12 |
| Total | | 1,810.27 | 1,340.02 |

Significant accounting policies and notes to the financial statements 1 & 2

As per our attached report of even date

For Khimji Kunverji & Co

Chartered Accountants

Firm Registration No: 105146W

Hasmukh B Dedhia

Hasmukh B Dedhia

Partner

Membership No. F-33494

VP Shetty
VP Shetty
Executive Chairman
(DIN-00021773)

Rupa Vora
Rupa Vora
Chairperson-
Audit Committee
(DIN - 01831916)

Anil Bhatia
Anil Bhatia
Managing Director &
Chief Executive Officer
(DIN-01310959)

Date : April 21, 2017

Place : Mumbai



Nikhil Bhandary
Nikhil Bhandary
Company Secretary

Sabyasachi Ray
Sabyasachi Ray
Chief Financial Officer

JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET RECONSTRUCTION COMPANY PRIVATE LIMITED)
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

| | | | ₹ in crore | |
|-----|---|----------|--------------------------------------|--------------------------------------|
| | Particulars | Note No. | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| I | REVENUE FROM OPERATIONS | 2.18 | 223.74 | 317.79 |
| II | OTHER INCOME | 2.19 | 0.12 | 1.23 |
| III | Total Revenue (I + II) | | 223.86 | 319.02 |
| IV | EXPENSES | | | |
| | Employee benefits expense | 2.20 | 22.37 | 27.13 |
| | Finance costs | 2.21 | 91.87 | 97.08 |
| | Provision/write off for receivables, loans & investments | 2.22 | 13.23 | 25.20 |
| | Depreciation and amortization expense | 2.11 | 1.20 | 1.09 |
| | Other expenses | 2.23 | 11.40 | 10.13 |
| | Total expenses | | 140.07 | 160.63 |
| V | Profit before tax | | 83.79 | 158.39 |
| | Tax expense | | | |
| | Current tax | | 34.63 | 57.14 |
| | Deferred tax | | (5.71) | (7.06) |
| | Excess provision for tax in respect of earlier year (net) | | - | (0.05) |
| | | | 28.92 | 50.03 |
| VI | Profit after tax | | 54.87 | 108.36 |
| VII | Earnings per share | | | |
| | Basic / Diluted | | 2.27 | 4.49 |

Significant accounting policies and notes to the financial statements 1 & 2

As per our attached report of even date

For Khimji Kunverji & Co

Chartered Accountants

Firm Registration No: 105146W

For and on behalf of the Board of Directors


Hasmukh B Dedhia

Partner

Membership No. F-33494


VP Shetty

Executive Chairman
(DIN-00021773)


Rupa Vora

Rupa Vora
Chairperson-
Audit Committee
(DIN - 01831916)


Anil Bhatia

Anil Bhatia
Managing Director &
Chief Executive Officer
(DIN-01310959)

Date : April 21, 2017

Place : Mumbai


Nikhil Bhandary

Nikhil Bhandary
Company Secretary


Sabyasachi Ray

Sabyasachi Ray
Chief Financial Officer



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET RECONSTRUCTION COMPANY PRIVATE LIMITED)
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

| Particulars | ₹ in crore | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| A Cash flow from operating activities | | |
| Profit before tax | 83.79 | 158.39 |
| Adjustment for: | | |
| Depreciation | 1.20 | 1.09 |
| Write off /reversal of receivables and investments | - | 12.82 |
| Provision for receivables, advances and loans | 13.23 | 12.38 |
| Earlier year provision on receivables / advances w/back | (1.68) | (8.29) |
| Provision for gratuity | 0.20 | 0.18 |
| Provision for/(reversal of) compensated absences | 0.13 | 0.08 |
| Interest expense | 91.87 | 97.08 |
| Operating profit before working capital changes | 188.75 | 273.73 |
| Adjustment for: | | |
| (Increase)/decrease in trade receivables | (30.17) | 15.80 |
| (Increase)/decrease in short-term loans and advances | (31.26) | (6.84) |
| Increase/(decrease) in trade payables | 0.66 | (0.04) |
| Increase/(decrease) in other current liabilities | 20.52 | 7.00 |
| Increase/(decrease) in other bank balances | (0.07) | (0.69) |
| Cash generated from/(used in) operations | 148.42 | 288.97 |
| Direct taxes paid | (33.93) | (59.47) |
| Net cash from/(used in) operating activities | 114.50 | 229.51 |
| B Cash flow from investing activities | | |
| Purchase of current investments - Others | (491.57) | (352.66) |
| Sale/ redemption of current investments - Others | 82.41 | 586.94 |
| Purchase of fixed assets | (0.30) | (3.07) |
| Net cash from/(used in) investment activities | (409.46) | 231.21 |
| C Cash flow from financing activities | | |
| (Increase) /decrease in other non- current assets | - | 8.29 |
| Increase/(decrease) in other non-current liabilities | 2.95 | - |
| (Increase) /decrease in long term loans & advances | 8.44 | (28.48) |
| Proceeds from long-term borrowings | 159.87 | - |
| (Repayment) of long-term borrowings | - | (92.66) |
| Proceeds from short-term borrowings | 231.06 | - |
| (Repayment) of short-term borrowings | - | (255.52) |
| Interest paid | (91.87) | (97.08) |
| Net cash from/(used in) financing activities | 310.44 | (465.44) |
| Net increase/(decrease) in cash & cash equivalents | 15.47 | (4.73) |
| Cash & cash equivalents (opening) | 1.65 | 6.38 |
| Cash & cash equivalents (closing) | 17.12 | 1.65 |



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET RECONSTRUCTION COMPANY PRIVATE LIMITED)
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

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 Cash and cash equivalents

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|--------------------------------------|--------------------------------------|
| Cash and cash balances as per note 2.16 | 17.88 | 2.34 |
| Less: Bank balances not considered as Cash and cash equivalents (as defined in AS 3 - "Cash Flow Statements") | 0.76 | 0.69 |
| Balance as shown in Cash flow statement (as defined in AS 3 - "Cash Flow Statements") | 17.12 | 1.65 |

- 3 Previous year's figures have been regrouped and rearranged wherever necessary

As per our attached report of even date

For Khimji Kunverji & Co

Chartered Accountants

Firm Registration No: 105146W



Hasmukh B Dedhia

Partner

Membership No. F-33494



VP Shetty

Executive Chairman

(DIN-00021773)

For and on behalf of the Board of Directors



Rupa Vora

Chairperson

Audit Committee

(DIN - 01831916)



Anil Bhatia

Managing Director &

Chief Executive Officer

(DIN-01310959)




Nikhil Bhandary

Company Secretary



Sabyasachi Ray

Chief Financial Officer

Date : April 21, 2017

Place : Mumbai



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET RECONSTRUCTION COMPANY PRIVATE LIMITED)

1. SIGNIFICANT ACCOUNTING POLICIES

a Accounting convention

"The financial statements have been prepared in compliance with all material aspects of the applicable Accounting Standards notified under Companies (Accounting Standards) Rules 2006 (as amended), the Guidelines issued by the Reserve Bank of India ('RBI') from time to time and the provisions of the Companies Act, 2013 (the "Act") to the extent applicable.

The financial statements are based on historical cost convention and are prepared on accrual basis, except where impairment is made and revaluation is carried out.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. Accounting Policies not specifically referred to otherwise, are consistent with generally accepted accounting principles.

b Use of estimates

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of 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.

c Fixed assets and depreciation

Owned tangible assets

Tangible Fixed Assets are stated at original cost of acquisition less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their present location and working condition.

Depreciation on tangible fixed assets is provided pro-rata basis for the period of use, on the Straight Line Method (SLM), based on management's estimate of useful lives of the fixed assets, or at the rates prescribed in Schedule II to the Act whichever is higher, as per the following table:

| Asset | Useful Life |
|------------------------|--|
| Leasehold improvements | 10 years or period of lease whichever is lower |
| Office equipments | 5 years |
| Computers | 3 years |
| Servers & Networks | 6 years |
| Software | 5 years |
| Motor Vehicles | 5 years |
| Furniture and Fixtures | 10 years |

Assets costing Rs. 5,000/- or less are fully depreciated in the year of acquisition.

Owned intangible assets

Intangible fixed assets are stated at cost of acquisition or internal generation, less accumulated amortisation and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured. The depreciable amount of the intangible assets is allocated over the best estimate of its useful life on a straight line basis.

The Company capitalises software and related implementation costs where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over management estimate of its useful life not exceeding 5 years.

Leased assets

Assets acquired under finance lease are accounted for at the inception of lease at the fair value of the assets or present value of minimum lease payments whichever is lower. At the end of lease term, asset will revert back to the lessor; hence they are fully depreciated on a straight line basis over the lease term or its useful life whichever is shorter.

At the balance sheet date, assets held for disposal are valued at Written Down Value (WDV) or Net Realisable Value (NRV), whichever is lower.



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET RECONSTRUCTION COMPANY PRIVATE LIMITED)

d Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of the assets exceed its recoverable value. An impairment loss, if any, is charged to the statement of profit and loss in the year, in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

e Investments

Investments in Security Receipt (SR) are classified as available for sale category under current assets. They are valued at lower of cost or realizable value. Latest available declared Net Asset Value (NAV) is considered to the realizable value of these investments. In cases where NAV is not declared (since investment is within the planning period of 180 days from the date of acquisition of assets or finalization of resolution strategy, whichever is earlier) cost of SR is considered as realizable value.

All these investments are aggregated for the purpose of arriving at net depreciation/ appreciation of investments under the category. Net depreciation, if any shall be provided for and Net appreciation, if any, shall be ignored.

f Revenue recognition

Accounting Standard 9 as notified by the Rules specifies that the amount of revenue arising on a transaction is usually determined by agreement between the parties involved in the transaction. When uncertainties exist regarding determination of the amount, these uncertainties may influence the timing of revenue recognition.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured with no significant uncertainty as to the ultimate collection. In case of significant uncertainty as to the ultimate collection, revenue recognition is postponed till such uncertainty is removed.

i Management fee:

- Management fee from trusts is accrued as per terms of the relevant trust deed / offer document.
- Management fee from borrowers/parties is accrued as per the terms of the relevant contract. However in respect of such fees, the ultimate realization is tested for impairment and in case there are events which suggest significant uncertainty as to the ultimate collection, revenue recognition is postponed to the extent of the uncertainty involved. Revenue in such case is recognized only when such uncertainty is removed.
- Unrealised management fees would be reversed/ provided in earlier of the following situations:
 - If the management fees remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of recognition in case of trusts where the planning period is over , or
 - NAV of the SRs of the trust fall below 50% of face value.

In respect of such trusts no further management fees is recognized unless it is realized.

- ii Any fee income other than (i) above (e.g. advisory fees, etc.) is recognised as per the terms of contract. . However in respect of such fees, the ultimate realization is tested for impairment and in case there are events which suggest significant uncertainty as to the ultimate collection, revenue recognition is postponed to the extent of the uncertainty involved. Revenue in such cases is recognized only when such uncertainty is removed.
- iii Outstanding management fee/ any other fee from borrowers/ parties remaining unpaid for more than 180 days is provided/ reversed. In respect of such cases, no further fee is recognized unless it is realized.
- iv Additional realization of assets over acquisition price on redemption of SR is accounted for as per the terms of relevant trust deed / offer document on actual distribution from the trust after full redemption of the SRs in the trust.
- v Income by way of yield on SRs is recognized on actual distribution from the trusts, after redemption of the principal amount of each class of SRs as per the terms of the relevant trust deed / offer document.



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- vi **Interest income:**
- Interest on bank deposits placed with banks is accounted on accrual basis.
 - Interest on expenses incurred on behalf of trust(s) is accounted as per terms of the relevant trust deed and offer document and is accrued where reasonable certainty exists with respect to its recovery. Outstanding expenses would be reversed/ provided in earlier of the following situations :
 - If the interest on expenses remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of charging of such interest in case in trusts where the planning period is over, or
 - NAV of the SRs of the trust fall below 50% of face value.
 - Interest on restructuring is accrued as per contract, net of the proportionate share of expenses incurred and management fees charged in the trust.
 - Interest on loan is accounted for as per the terms of the contract. In case interest / principal is overdue for more than 180 days from the due date specified in the contract, the loan outstanding is classified as Non-Performing Asset and provision is made as per the guidelines issued by the Reserve Bank of India. Unrealized interest on loan is derecognized and further recognition is made only on realisation.
- g **Employee Benefits**
- Defined contribution plan**
- The Company makes defined contribution to the provident fund, which is recognized in the statement of profit and loss on an accrual basis.
- Defined benefit plan**
- The Company's liabilities under the Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gains and losses are recognised in the statement of profit and loss as income or expense respectively. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields on the date of balance sheet on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.
- Short term employee benefits**
- Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss of the year in which the related services are rendered.
- h **Expenses incurred for financial assets not acquired**
- Pre-acquisition expenses in case of acquisition of financial assets from banks/ FIs are recognized immediately in the statement of profit and loss for the period in which such costs are incurred. Wherever subsequently the financial assets are acquired in trust, such expenses are charged to the trust.
- i **Expenses incurred by the Company on behalf of the trust**
- The expenses incurred on behalf of trusts are shown as 'Recoverable from Trusts' and grouped under Advances recoverable in cash or in kind in the balance sheet. These expenses are reimbursed to the Company in terms of the provisions of the relevant trust deed and offer document.
 - These expenses would be reversed/ provided in earlier of the following situations:
 - If the expenses remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of incurrence of such expenses in trusts where the planning period is over, or
 - NAV of the SRs of the trust fall below 50% of face value.
- j **Foreign currency transactions**
- Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain / loss is reflected in the statement of profit and loss. Other non-monetary items, like fixed assets, investments in equity shares, are carried in terms of historical cost using the exchange rate at the date of transaction. Premium / Discount, in respect of forward foreign exchange contract is recognised over the life of the contract. Profit / Loss on cancellation / renewal of forward exchange contract is recognised as income / expense for the year.



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
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k Taxation

- Tax expense comprises current tax and deferred tax.
- Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.
- Deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that apply substantively as on the date of balance sheet. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.
- Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.
- At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

l Operating leases

Operating lease payments are recognised as expenditure in the statement of profit and loss on a straight line basis, which is representative of the time pattern user's benefit.

m Provisions, contingent liabilities and contingent assets

Contingent Liabilities are possible but not probable obligations as on the balance sheet date, based on the available evidence. Department appeals, in respect of cases won by the Company, are also considered as Contingent Liabilities. Provisions are recognised when there is a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. Contingent assets are not recognized in the financial statements.



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET RECONSTRUCTION COMPANY PRIVATE LIMITED)

2. NOTES TO THE FINANCIAL STATEMENTS

| | | ₹ in crore | |
|--|---------------|-------------------------|-------------------------|
| | | As at March 31, 2017 | As at March 31, 2016 |
| 2.01 SHARE CAPITAL | | | |
| Authorised | | | |
| 300,000,000 Equity Shares of Rs 10/- each | 300.00 | 300.00 | |
| 150,000,000 Redeemable Preference Shares of Rs 10/- each | 150.00 | 150.00 | |
| | 450.00 | 450.00 | |
| Issued, Subscribed and Paid-up | | | |
| 241,250,000 Equity shares of Rs 10/- each fully paid-up | 241.25 | 241.25 | |
| Total | 241.25 | 241.25 | |

Note a.

The Company has only one class of issued 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 preference shares (not issued), forming part of Authorised Capital, have a face value of Rs. 10/-. Each holder of such preference shares would be entitled to one vote per share on resolutions placed which directly affects the rights of such preference shares.

Note b.

| Particulars | Equity Shares | | | |
|---|------------------|--------|------------------|--------|
| | As at 31.03.2017 | | As at 31.03.2016 | |
| | Number | Rupees | Number | Rupees |
| Shares outstanding at the beginning of the year | 241,250,000 | 241.25 | 241,250,000 | 241.25 |
| Shares Issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 241,250,000 | 241.25 | 241,250,000 | 241.25 |

Note c.

Out of Equity shares issued by the Company, shares held by each shareholder, holding more than 5 percent shares specifying the number of shares held are as below:

| Particulars | Equity Shares | | | |
|------------------------------------|------------------|--------|------------------|--------|
| | As at 31.03.2017 | | As at 31.03.2016 | |
| | Number | Rupees | Number | Rupees |
| Equity Shares: | | | | |
| JM Financial Limited | 120,650,000 | 50.01% | 120,625,000 | 50.00% |
| Mr Narotam S Sekhsaria | 36,187,500 | 15.00% | 36,187,500 | 15.00% |
| Indian Overseas Bank | 21,000,000 | 8.70% | 21,000,000 | 8.70% |
| Valiant Mauritius Partners FDI Ltd | 20,320,238 | 8.42% | 20,320,238 | 8.42% |



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET RECONSTRUCTION COMPANY PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS

| | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| 2.02 RESERVES AND SURPLUS | | |
| Surplus / (Deficit) in statement of profit and loss: | | |
| Opening balance | 264.93 | 156.57 |
| (+) Profit for the year | 54.87 | 108.36 |
| Closing balance | 319.80 | 264.93 |
| Securities Premium Account | 18.72 | 18.72 |
| Less: Premium utilized for share issue expenses | - | - |
| | 18.72 | 18.72 |
| Total | 338.52 | 283.65 |
| 2.03 LONG-TERM BORROWINGS | | |
| Secured: | | |
| Non-Convertible Debentures (Refer note 2.28 & 2.35) | 340.00 | 350.00 |
| (Secured by way of hypothecation of SRs and mortgage of land) | | |
| Long term maturities of finance lease obligations | 0.12 | 0.28 |
| (Secured by way of hypothecation of vehicles) | | |
| Total | 340.12 | 340.28 |
| 2.04 OTHER LIABILITIES | | |
| Employees benefits payable | 2.95 | - |
| Total | 2.95 | - |
| 2.05 LONG-TERM PROVISIONS | | |
| For employee benefits - gratuity | 0.69 | 0.50 |
| Total | 0.69 | 0.50 |
| 2.06 SHORT-TERM BORROWINGS | | |
| Secured: | | |
| Working capital facilities from banks | 157.62 | 147.47 |
| (Secured by way of pledge of investments in security receipts) | | |
| Unsecured: | | |
| Other loans & advances | | |
| Commercial Papers | 365.00 | 75.00 |
| Less : Unamortised Interest on commercials papers | (7.99) | (0.55) |
| | 357.01 | 74.45 |
| Inter Corporate Deposits | 100.35 | 162.00 |
| Total | 614.98 | 383.92 |



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET RECONSTRUCTION COMPANY PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS

| | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| 2.07 TRADE PAYABLES | | |
| Total outstanding dues to creditors other than micro & small enterprises | 0.82 | 0.17 |
| | 0.82 | 0.17 |
| 2.08 CURRENT MATURITIES OF LONG TERM BORROWINGS | | |
| Secured Loans | | |
| Term Loans from Bank | - | 30.00 |
| (Secured by way of pledge of investments in security receipts) | | |
| Non Convertible Debentures | 200.00 | - |
| (Secured by way of hypothecation of SRs and mortgage of land) | | |
| | 200.00 | 30.00 |
| 2.09 OTHER CURRENT LIABILITIES | | |
| Short term maturities of finance lease obligations | 0.26 | 0.23 |
| (Secured by way of hypothecation of vehicles) | | |
| Statutory dues | 0.75 | 0.77 |
| Employees benefits payable | 7.58 | 16.73 |
| Amounts collected on behalf of trusts | 18.57 | 2.41 |
| Interest accrued but not due on borrowings | 42.41 | 27.76 |
| Other liabilities | 0.67 | 1.79 |
| Total | 70.24 | 49.70 |
| 2.10 SHORT-TERM PROVISIONS | | |
| For employee benefits – gratuity | 0.14 | 0.13 |
| For employee benefits - compensated absences | 0.56 | 0.43 |
| Total | 0.70 | 0.56 |



2.11 FIXED ASSETS

| Description | GROSS BLOCK | | | DEPRECIATION/AMORTISATION | | | | NET BLOCK | | |
|--------------------------------|---------------------|-------------|-------------|---------------------------|---------------------|-------------|------------|--------------------|---------------------|---------------------|
| | As at 01.04.2016 | Additions | Disposals | As at 31.03.2017 | Up to 01.04.2016 | Additions | Deductions | Upto 31.03.2017 | As at 31.03.2017 | As at 31.03.2016 |
| i) TANGIBLE ASSETS: | | | | | | | | | | |
| <u>Owned Assets:</u> | | | | | | | | | | |
| Land & Building | 0.03 | - | - | 0.03 | - | - | - | - | 0.03 | 0.03 |
| Furniture & Fixtures | 0.07 | - | - | 0.07 | 0.05 | 0.01 | - | 0.06 | 0.01 | 0.02 |
| Office Equipment's | 0.45 | 0.01 | - | 0.47 | 0.28 | 0.04 | - | 0.33 | 0.14 | 0.17 |
| Computers | 0.95 | 0.03 | - | 0.98 | 0.56 | 0.19 | - | 0.76 | 0.22 | 0.39 |
| Lease Hold Improvements | 2.17 | 0.13 | - | 2.29 | 0.37 | 0.49 | - | 0.87 | 1.43 | 1.79 |
| <u>Leased Assets:</u> | | | | | | | | | | |
| Vehicles (refer note below) | 0.85 | 0.13 | - | 0.98 | 0.39 | 0.25 | - | 0.64 | 0.34 | 0.46 |
| Total | 4.52 | 0.30 | - | 4.82 | 1.67 | 0.99 | - | 2.65 | 2.17 | 2.85 |
| ii) INTANGIBLE ASSETS: | | | | | | | | | | |
| Software | 1.07 | 0.00 | - | 1.07 | 0.57 | 0.21 | - | 0.78 | 0.29 | 0.50 |
| Total | 1.07 | 0.00 | - | 1.07 | 0.57 | 0.21 | - | 0.78 | 0.29 | 0.50 |
| Total | 5.59 | 0.30 | - | 5.89 | 2.24 | 1.20 | - | 3.44 | 2.46 | 3.36 |
| Previous Year | 2.52 | 3.08 | 0.01 | 5.59 | 1.14 | 1.09 | - | 2.24 | 3.36 | 1.37 |

Note : Vendor has lien over the assets taken on lease.



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED

(FORMERLY KNOWN AS JM FINANCIAL ASSET RECONSTRUCTION COMPANY PRIVATE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

| | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| 2.12 DEFERRED TAX ASSETS / (LIABILITIES) | | |
| Provision for receivables | 11.51 | 7.22 |
| Disallowances under section 43B of the Income Tax Act, 1961 | 1.02 | - |
| Differences in the tax and books written down value of fixed assets | 0.17 | (0.14) |
| Due under finance lease | 0.02 | 0.02 |
| Provision for gratuity | 0.29 | 0.18 |
| Preliminary expenses | 0.14 | 0.21 |
| Compensated absences | 0.19 | 0.15 |
| Share issue expenses | 0.01 | 0.01 |
| Total | 13.35 | 7.64 |
| 2.13 LONG TERM LOANS AND ADVANCES | | |
| Other loans and advances | | |
| <u>Secured, considered good:</u> | | |
| Loan funds | 9.95 | 29.95 |
| <u>Unsecured, considered good:</u> | | |
| Staff loans | - | 0.02 |
| Advance Tax (Net of provisions) | 1.16 | 1.87 |
| Advances recoverable in cash or in kind or for value to be received | 23.31 | 11.75 |
| Other deposits | 3.05 | 3.03 |
| | 37.47 | 46.61 |
| Less : Provision for advances | 23.31 | 11.75 |
| Less : Provision for loans | 9.95 | 9.95 |
| Total | 4.21 | 24.91 |
| 2.15 TRADE RECEIVABLES | | |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good | 12.40 | 0.72 |
| | 12.40 | 0.72 |
| Outstanding for a period less than six months from the date they are due for payment | | |
| Unsecured, considered good | 51.35 | 32.86 |
| | 51.35 | 32.86 |
| Total | 63.75 | 33.58 |
| 2.16 CASH AND BANK BALANCES | | |
| Cash and cash equivalents | | |
| Balances with banks | | |
| In Current Accounts | 17.12 | 1.65 |
| | 17.12 | 1.65 |
| Other bank balances | 0.76 | 0.69 |
| | 17.88 | 2.34 |



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NOTES TO THE FINANCIAL STATEMENTS

2.14 CURRENT INVESTMENTS

| | | As at March 31, 2017 | | As at March 31, 2016 | |
|--|--|----------------------|--------|----------------------|--------|
| | | No. of SRs | Amount | No. of SRs | Amount |
| | | | | ₹ in crore | |
| (a) Other current investments (Unquoted valued at cost) | | | | | |
| Available for sale | | | | | |
| Investment in Security Receipts of the trusts | | | | | |
| (Face Value Rs.1,000/- each except otherwise stated) | | | | | |
| 1 | JMFARC-BOI 2009 - Trust# | 48,600 | 4.86 | 48,600 | 4.86 |
| 2 | JMFARC-BOI 2009 I - Trust*# | 36,000 | 3.60 | 36,000 | 3.60 |
| 3 | JMFARC - DB - ICICI - Trust*# | 115,000 | 11.50 | 115,000 | 11.50 |
| 4 | JMFARC - DB - DCB - Trust*# | 7,500 | 0.75 | 7,500 | 0.75 |
| 5 | JMFARC - DB - SBI - Trust*# | 61,000 | 6.10 | 61,000 | 6.10 |
| 6 | JMFARC -Jord - SUUTI Trust*# | 8,000 | 0.80 | 8,000 | 0.80 |
| 7 | JMFARC - Pasupati - SASF - Trust*# (Face value Rs. 160/- each, Previous year Rs.160/- each) | 250,000 | 4.00 | 250,000 | 4.00 |
| 8 | JMFARC -Central bank - Tube - Trust*# | 50,000 | 5.00 | 50,000 | 5.00 |
| 9 | JMFARC -UTI - Tube - Trust*# | 6,000 | 0.60 | 6,000 | 0.60 |
| 10 | JMFARC - Yarn 2010 - Trust*# (Face value Re. 1/- each, Previous year Rs. 327 /- each) | 100,000 | 0.01 | 100,000 | 3.27 |
| 11 | JMFARC - SASF Tube - Trust*# | 62,000 | 6.20 | 62,000 | 6.20 |
| 12 | JMFARC - SME Retail 2011 - Trust (Face value Re.1/- each, Previous year Re.1/-each) | 13,365 | 0.00 | 13,365 | 0.00 |
| 13 | JMFARC-IOB March 2011-Trust*# (Face value - Class A SRs Rs. 669/- each, Class B SRs Rs. 1000/- each, Previous year Rs. Class A SRs Rs. 703/- each, Class B SRs Rs. 1000/- each) | 376,500 | 28.39 | 376,500 | 29.32 |
| 14 | JMFARC-UCO Bank March 2011-Trust | 16,500 | 1.65 | 16,500 | 1.65 |
| 15 | JMFARC-IOB II March 2011-Trust# (Face value - Class A SRs Rs. 982/- each, Class B SRs Rs. 1000/- each, Previous year Rs. Class A SRs Rs. 982/- each, Class B SRs Rs. 1000/- each) | 110,000 | 10.82 | 110,000 | 10.82 |
| 16 | JMFARC-Central Bank Retail 2011-Trust (Face value Rs.380/- each, Previous year Rs.424/-each) | 88,872 | 3.38 | 88,872 | 3.77 |
| 17 | JMFARC-Retail June 2011-Trust (Face value - Rs Re. 1/- each for Series I, II and III respectively, Previous year Face value - Series I SRs Re. 1/- each, Series II SRs Re. 1/- each, Series III SRs Re. 1/- each) | 469,884 | 0.05 | 469,884 | 0.05 |
| 18 | JMFARC-Retail Aug 2011-Trust (Face value Re.1/- each, Previous year Re.1/- each) | 7,039 | 0.00 | 7,039 | 0.00 |



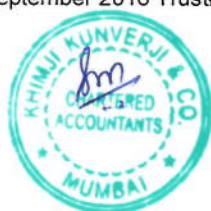
| | | As at March 31, 2017 | | As at March 31, 2016 | |
|----|--|----------------------|--------|----------------------|--------|
| | | No. of SRs | Amount | No. of SRs | Amount |
| 19 | JMFARC-Swarna 2011-Trust*# (Face value - Class A Rs. Nil , Class B Rs. 1000/-, Previous Year Class A Nil-, Class B Rs. 1000/- each) | 72,199 | 7.22 | 72,199 | 7.22 |
| 20 | JMFARC-Synthetic Rubber 2012-Trust (Face value Re.1/- each, Previous year Re 1/- each) | 14,962 | 0.00 | 14,962 | 0.00 |
| 21 | JMFARC-Swarna II 2012-Trust*# (Face value - Class A Rs. 628/- , Class B Rs. 1000/-, Previous Year Class A Rs 628/-, Class B Rs. 1000/- each) | 78,700 | 5.41 | 78,700 | 5.41 |
| 22 | JMFARC-Kruti 2012-Trust*# (Face value Re. 1/- each, Previous year Re. 1/- each) | 564,587 | 0.06 | 564,587 | 0.06 |
| 23 | JMFARC-Green December 2012-Trust# | 23,945 | 2.39 | 23,945 | 2.39 |
| 24 | JMFARC-Media 2013-Trust (Face value Rs.882/- each, Previous year Rs 1,000/- each) | 12,500 | 1.10 | 12,500 | 1.25 |
| 25 | JMFARC-Kruti II 2013-Trust*# (Face value Rs.491/- each, Previous year Rs 676/- each) | 686,600 | 33.72 | 686,600 | 46.44 |
| 26 | JMFARC-Media II 2013-Trust*# | 34,030 | 3.40 | 34,030 | 3.40 |
| 27 | JMFARC-Federal Bank March 2013-Trust (Face value Rs.775/- each, Previous year Rs 785/- each) | 70,000 | 5.42 | 70,000 | 5.49 |
| 28 | JMFARC-Textile 2013-Trust# (Face value Re.1/- each, Previous year Re. 1/- each) | 91,000 | 0.01 | 91,000 | 0.01 |
| 29 | JMFARC-Central India 2013-Trust*# | 289,360 | 28.94 | 289,360 | 28.94 |
| 30 | JMFARC-Corp I 2013-Trust*# (Face value Rs.435/- each, Previous year Rs 435/- each) | 93,000 | 4.05 | 93,000 | 4.05 |
| 31 | JMFARC-Corp II 2013-Trust*# (Face value Rs.787/- each, Previous year Rs.1,000) | 58,800 | 4.63 | 58,800 | 5.88 |
| 32 | JMFARC-Corp Textile 2013-Trust*# | 150,000 | 15.00 | 150,000 | 15.00 |
| 33 | JMFARC-Corp Apparel 2013-Trust*# (Face value Re.1/- each, Previous year Re. 1/- each) | 120,000 | 0.01 | 120,000 | 0.01 |
| 34 | JMFARC-Corp Biotech 2013-Trust*# | 114,000 | 11.40 | 114,000 | 11.40 |
| 35 | JMFARC-Stancy Textile 2013-Trust (Face value Re.1/- each, Previous year Rs.Nil) | 1,000 | 0.00 | 1,000 | 0.00 |
| 36 | JMFARC-Fed Textile 2013-Trust | 8,820 | 0.88 | 8,820 | 0.88 |
| 37 | JMFARC-BOI Textile 2013-Trust# | 41,000 | 4.10 | 41,000 | 4.10 |
| 38 | JMFARC-OBC March 2014-Trust# | 34,500 | 3.45 | 34,500 | 3.45 |
| 39 | JMFARC-Dena Bank March 2014-Trust*# | 67,000 | 6.70 | 67,000 | 6.70 |
| 40 | JMFARC-UCO March 2014-Trust# (Face value Rs.819/- each, Previous year Rs.837/-each) | 462,500 | 37.88 | 462,500 | 38.71 |
| 41 | JMFARC-Gelatine March 2014-Trust*# (Face value Rs.810/- each, Previous year Rs.911/-each) | 628,672 | 50.90 | 628,672 | 51.03 |
| 42 | JMFARC-Fed Gelatine March 2014-Trust | 17,500 | 1.75 | 17,500 | 1.75 |



| | | As at March 31, 2017 | | As at March 31, 2016 | |
|----|--|----------------------|--------|----------------------|--------|
| | | No. of SRs | Amount | No. of SRs | Amount |
| 43 | JMFARC-SBI March 2014 I-Trust# (Face value Rs.767/- each, Previous year Rs.971/-each) | 173,750 | 13.32 | 173,750 | 16.87 |
| 44 | JMFARC-SBI March 2014 II-Trust *# | 45,250 | 4.53 | 45,250 | 4.53 |
| 45 | JMFARC-Cosmos March 2014-Trust# (Face value Rs.783/- each, Previous year Rs.783/- each) | 154,500 | 12.09 | 154,500 | 12.09 |
| 46 | JMFARC-Indian Bank March 2014-Trust# | 44,500 | 4.45 | 44,500 | 4.45 |
| 47 | JMFARC-Petro BOB 2014-Trust*# (Face value Rs.397/- each, Previous year Rs.764/-each) | 135,500 | 5.38 | 135,500 | 10.35 |
| 48 | JMFARC-Petro UCO 2014-Trust*# (Face value Rs.397/- each, Previous year Rs.764/-each) | 140,000 | 5.56 | 140,000 | 10.69 |
| 49 | JMFARC-Petro CBOI 2014-Trust*# (Face value Rs.397/- each, Previous year Rs.764/-each) | 51,500 | 2.04 | 51,500 | 3.93 |
| 50 | JMFARC-OBC March 2014 II -Trust (Face value Rs.930/- each, Previous year Rs.975/-each) | 4,760 | 0.44 | 4,760 | 0.46 |
| 51 | JMFARC-BOI March 2014 II -Trust# | 215,750 | 21.58 | 215,750 | 21.58 |
| 52 | JMFARC-UBOI March 2014-Trust# | 66,750 | 6.68 | 66,750 | 6.68 |
| 53 | JMFARC-OBC June 2014-Trust | 8,915 | 0.89 | 8,915 | 0.89 |
| 54 | JMFARC-Hotels June 2014-Trust*# (Face value - Class A Rs. 207/- , Class B Rs. 1000/-, Previous Year Class A Rs 273/-, Class B Rs. 1000/- each) | 6,528,223 | 299.41 | 6,528,223 | 328.66 |
| 55 | JMFARC-Vijaya Bank June 2014-Trust | 25,360 | 2.54 | 25,360 | 2.54 |
| 56 | JMFARC-Indian Bank June 2014-Trust# | 32,200 | 3.22 | 32,200 | 3.22 |
| 57 | JMFARC-SBI Ceramics June 2014-Trust# (Face value Rs.984/- each, Previous year Rs 984/-) | 156,000 | 15.35 | 156,000 | 15.35 |
| 58 | JMFARC-Central Bank of India June 2014-Trust | 32,000 | 3.20 | 32,000 | 3.20 |
| 59 | JMFARC-UBOI June 2014-Trust# | 59,915 | 5.99 | 59,915 | 5.99 |
| 60 | JMFARC - ICICI Bank July 2014 -Trust* (Face value Rs.270/- each, Previous year Rs 779/-) | 20,000 | 0.54 | 20,000 | 1.56 |
| 61 | JMFARC - LVB Ceramics September 2014 -Trust# | 27,900 | 2.79 | 27,900 | 2.79 |
| 62 | JMFARC - CSB Ceramics September 2014 -Trust* | 32,625 | 3.26 | 32,625 | 3.26 |
| 63 | JMFARC - Karnataka Bank December 2014 -Trust*# (Face value Rs.943/- each, Previous year Rs.1,000) | 172,500 | 16.26 | 172,500 | 17.25 |
| 64 | JMFARC - SBOP Ceramics December 2014 -Trust# | 11,850 | 1.19 | 11,850 | 1.19 |
| 65 | JMFARC - SBH Ceramics December 2014 -Trust*# | 60,000 | 6.00 | 60,000 | 6.00 |
| 66 | JMFARC - SBT Ceramics March 2015 -Trust* | 23,250 | 2.33 | 23,250 | 2.33 |
| 67 | JMFARC - SBI Steel March 2015 -Trust*# | 93,150 | 9.32 | 93,150 | 9.32 |
| 68 | JMFARC - Axis Bank Cement March 2015 -Trust* | 230,000 | 23.00 | 230,000 | 23.00 |
| 69 | JMFARC - SBM Ceramics March 2015 -Trust* | 12,750 | 1.28 | 12,750 | 1.28 |
| 70 | JMFARC -Karnataka Bank Cement March 15-Trust* | 49,500 | 4.95 | 49,500 | 4.95 |



| | | As at March 31, 2017 | | As at March 31, 2016 | |
|-----|---|----------------------|--------|----------------------|--------|
| | | No. of SRs | Amount | No. of SRs | Amount |
| 71 | JMFARC -Vijaya Bank Ceramics March 15-Trust* | 27,000 | 2.70 | 27,000 | 2.70 |
| 72 | JMFARC -ICICI Bank Cement June 2015-Trust* | 170,500 | 17.05 | 170,500 | 17.05 |
| 73 | JMFARC -SBH Cement June 2015-Trust*# | 66,000 | 6.60 | 66,000 | 6.60 |
| 74 | JMFARC -United Bank Textile Sept 2015-Trust# | 27,075 | 2.71 | 27,075 | 2.71 |
| 75 | JMFARC -United Bank Cement Sept 2015-Trust# | 180,000 | 18.00 | 180,000 | 18.00 |
| 76 | JMFARC - CSB September 2015-Trust*# (Face value Rs.931/- each, Previous year Rs.986) | 63,000 | 5.86 | 63,000 | 6.21 |
| 77 | JMFARC - Corp Bank Sept 2015-Trust# | 46,065 | 4.61 | 46,065 | 4.61 |
| 78 | JMFARC - PNB Ceramics November 2015-Trust*# | 401,640 | 40.16 | 401,640 | 40.16 |
| 79 | JMFARC - PNB December 2015-Trust # | 24,765 | 2.48 | 24,765 | 2.48 |
| 80 | JMFARC - SBOP Geometric - Trust# | 61,560 | 6.16 | 61,560 | 6.16 |
| 81 | JMFARC - SBH December 2015-Trust # | 73,380 | 7.34 | 73,380 | 7.34 |
| 82 | JMFARC - Dena Ceramics January 2016 Trust # | 15,750 | 1.58 | 15,750 | 1.58 |
| 83 | JMFARC - ICICI Geometric Trust # | 61,500 | 6.15 | 61,500 | 6.15 |
| 84 | JMFARC - Axis Bank February 2016 Trust *# | 87,500 | 8.75 | 87,500 | 8.75 |
| 85 | JMFARC- OBC March 2016- Trust *# | 72,000 | 7.20 | 72,000 | 7.20 |
| 86 | JMFARC- OBC Cement 2016- Trust # | 49,700 | 4.97 | 49,700 | 4.97 |
| 87 | JMFARC - IDBI Ceramics March 2016 Trust# | 57,180 | 5.72 | 57,180 | 5.72 |
| 88 | JMFARC- Exim Ceramics March 2016 Trust # | 17,101 | 1.71 | 17,101 | 1.71 |
| 89 | JMFARC- UCO Geometric March 2016 Trust# | 88,965 | 8.90 | 88,965 | 8.90 |
| 90 | JMFARC- UBOI Steel March 2016 Trust# | 63,000 | 6.30 | 63,000 | 6.30 |
| 91 | JMFARC- KVB March 2016 Trust *# | 355,095 | 35.51 | 355,095 | 35.51 |
| 92 | JMFARC- KVB Iris II March 2016 Trust | 37,500 | 3.75 | 37,500 | 3.75 |
| 93 | JMFARC- Indian Bank March 2016 Trust # | 97,515 | 9.75 | 97,515 | 9.75 |
| 94 | JMFARC- Indian Bank I March 2016 Trust # (Face value Rs.723/- each, Previous year Rs.1,000) | 16,010 | 1.16 | 16,010 | 1.60 |
| 95 | JMFARC- IOB March 2016 Trust # | 50,250 | 5.03 | 50,250 | 5.03 |
| 96 | JMFARC- Federal Bank March 2016 Trust* (Face value Rs. 996/- each, Previous year Rs 1,000/-each) | 73,350 | 7.31 | 73,350 | 7.34 |
| 97 | JMFARC- Iris March 2016 Trust # | 1,000,165 | 100.02 | 1,000,165 | 100.02 |
| 98 | JMFARC- Exim Iris March 2016 Trust# | 60,000 | 6.00 | 60,000 | 6.00 |
| 99 | JMFARC - Axis Iris March 2016 - Trust# | 150,000 | 15.00 | 150,000 | 15.00 |
| 100 | JMFARC- Axis Iris II March 2016 - Trust # | 60,000 | 6.00 | 60,000 | 6.00 |
| 101 | JMFARC - KB Metals September 2016 Trust# | 22,500 | 2.25 | - | - |



| | As at March 31, 2017 | | As at March 31, 2016 | |
|---|----------------------|----------------|----------------------|-----------------|
| | No. of SRs | Amount | No. of SRs | Amount |
| 102 JMFARC - Andhra Resin September 2016 Trust | 37,605 | 3.76 | - | - |
| 103 JMFARC - Dena SEZ September 2016 Trust | 7,335 | 0.73 | - | - |
| 104 JMFARC - ICICI Bank September 2016 Trust*# | 855,495 | 85.55 | - | - |
| 105 JMFARC - SBI Geometric October 2016 Trust | 453,000 | 45.30 | - | - |
| 106 JMFARC - PAN India 2016 Trust* | 1,546,908 | 154.69 | - | - |
| 107 JMFARC - IDBI Geometric December 2016 Trust# | 41,250 | 4.13 | - | - |
| 108 JMFARC - IRIS December 2016 Trust | 31,110 | 3.11 | - | - |
| 109 JMFARC - IRIS Cash 2016 Trust | 426,200 | 42.62 | - | - |
| 110 JMFARC - IRIS UBOI December 2016 Trust | 16,005 | 1.60 | - | - |
| 111 JMFARC - Tata Capital December 2016 Trust (Face value Rs. 668/- each, Previous year Nil) | 130,000 | 8.69 | - | - |
| 112 JMFARC - Iris PNB January 2017 Trust | 41,550 | 4.16 | - | - |
| 113 JMFARC PNB March 2017 Trust | 222,075 | 22.21 | - | - |
| 114 JMFARC IOB CHN March 2017 Trust | 37,500 | 3.75 | - | - |
| 115 JMFARC IDBI March 2017 Trust | 30,000 | 3.00 | - | - |
| 116 JMFARC IOB Ceramics March 2017 Trust | 33,000 | 3.30 | - | - |
| 117 JMFARC Iris United March 2017 Trust | 66,900 | 6.69 | - | - |
| 118 JMFARC SBP March 2017 Trust | 31,665 | 3.17 | - | - |
| 119 JMFARC SBT March 2017 Trust | 55,875 | 5.59 | - | - |
| 120 JMFARC Iris Uco March 2017 Trust | 38,310 | 3.83 | - | - |
| 121 JMFARC SBP Retreat March 2017 Trust | 77,600 | 7.76 | - | - |
| 122 JMFARC Retreat II March 2017 Trust | 394,000 | 39.40 | - | - |
| 123 JMFARC SBI Retreat March 2017 Trust | 166,800 | 16.68 | - | - |
| 124 JMFARC SBI Tollways March 2017 Trust | 153,000 | 15.30 | - | - |
| 125 JMFARC-Hospitality 2013-Trust (Face value Rs.Nil , Previous year Rs.1,000/- each) | - | - | 107,294 | 10.73 |
| 126 JMFARC - BOB 2008 - Trust (Face value NIL, Previous year Re.1/- each) | 111,600 | - | 111,600 | 0.01 |
| Total | | 1635.40 | | 1,226.24 |

Notes :

1. Aggregate value of Unquoted Investments

| As at March 31, 2017 | | As at March 31, 2016 | |
|----------------------|----------------|----------------------|-----------------|
| No. of SRs | Amount | No. of SRs | Amount |
| | 1635.40 | | 1,226.24 |

*Pledged with banks as security for bank overdraft / cash credit short term loan limits

Hypothecated in favour of debenture trustee as security of NCDs issued



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NOTES TO THE FINANCIAL STATEMENTS

| | For the year ended March 31, 2017 | ₹ in crore For the year ended March 31, 2016 |
|---|--------------------------------------|--|
| 2.17 SHORT-TERM LOANS AND ADVANCES | | |
| Secured, considered good: | | |
| Loan Funds | 60.33 | 37.77 |
| Unsecured considered good: | | |
| Staff Loans | - | 0.06 |
| Advances recoverable in cash or in kind or for value to be received | 12.66 | 3.99 |
| Others | 0.23 | 0.15 |
| Total | 73.22 | 41.96 |



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NOTES TO THE FINANCIAL STATEMENTS

| | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|--------------------------------------|--------------------------------------|
| 2.18 REVENUE FROM OPERATIONS | | |
| Operating revenue | | |
| Management and advisory fees (Management fees during the year is net of reversals as per RBI guidelines) | 144.36 | 81.24 |
| Recovery incentive fees | 2.10 | 21.92 |
| Interest income on restructuring | 32.05 | 34.37 |
| Interest income on loans | 10.16 | 5.16 |
| Profit on redemption/sale of security receipts | 16.31 | 166.44 |
| Other operating revenue | | |
| Interest income on funded expenses | 1.03 | 0.36 |
| Earlier year reversal of fees / interest w/back | 16.04 | - |
| Earlier year provision on receivables/ advances / investments w/back | 1.68 | 8.29 |
| Total | 223.74 | 317.79 |
| 2.19 OTHER INCOME | | |
| Interest income on fixed deposit | 0.08 | 1.16 |
| Other non-operating income | 0.04 | 0.07 |
| Total | 0.12 | 1.23 |
| 2.20 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, Bonus and Allowances | 21.64 | 25.62 |
| Contribution to Provident Fund and Other Funds | 0.66 | 0.48 |
| Staff Welfare | 0.07 | 1.03 |
| Total | 22.37 | 27.13 |
| 2.21 FINANCE COSTS | | |
| Interest Expense | 91.03 | 96.87 |
| Other borrowing costs | 0.84 | 0.21 |
| Total | 91.87 | 97.08 |
| 2.22 PROVISION/WRITE OFF FOR RECEIVABLES, LOANS & INVESTMENTS | | |
| Provision for receivables and advances | 13.23 | 7.41 |
| Write off /Reversal of interest | - | 12.82 |
| Provision for loans | - | 4.98 |
| Total | 13.23 | 25.20 |
| 2.23 OTHER EXPENSES | | |
| Space and other related cost | 2.84 | 2.71 |
| Rates & taxes | 0.79 | 0.61 |
| Insurance premium | 0.20 | 0.13 |
| Communication expenses | 0.11 | 0.10 |
| Repairs and maintenance | 0.04 | 0.03 |
| Professional fees | 0.72 | 0.57 |
| <u>Auditors Remuneration</u> | | |
| -as auditor | 0.06 | 0.06 |
| -as tax auditor | 0.00 | 0.00 |
| -for management services (limited review) | 0.01 | 0.01 |
| Support service charges | 1.93 | 1.93 |
| Membership & Subscription | 0.04 | 0.06 |
| Manpower Expenses | 0.28 | 0.22 |
| Travelling expenses | 0.12 | 0.09 |
| Electricity | 0.34 | 0.34 |
| Printing and stationery | 0.15 | 0.12 |
| Information Technology Expenses | 0.25 | 0.38 |
| Director's fees and commission | 0.65 | 0.60 |
| Donation | 2.30 | 1.63 |
| Miscellaneous expenses | 0.55 | 0.54 |
| Total | 11.40 | 10.13 |



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NOTES TO THE FINANCIAL STATEMENTS
2.24 Earning per share

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 | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|--------------------------------------|--------------------------------------|
| Profit attributable to the equity shareholders for the purpose of basic / diluted earnings per share (Rupees in Crore) | 54.87 | 108.36 |
| Weighted average number of equity shares outstanding during the year for basic/ diluted earnings per share (Rupees in Crore) | 24.13 | 24.13 |
| Basic/ diluted earnings per share – (Rupees) | 2.27 | 4.49 |
| Nominal value per share – (Rupees) | 10 | 10 |

2.25 Expenditure in Foreign Currency

₹ in crore

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|------------------------|--------------------------------------|--------------------------------------|
| Staff welfare expenses | - | 0.03 |

2.26 Specified Bank Notes

Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 as provided in the Table below :

Amount in ₹

| Particulars | SBN's | Other Denomination | Total |
|---------------------------------------|-------|--------------------|-------|
| Closing cash in hand as on 08.11.2016 | 5,000 | 386 | 5,386 |
| (+) Permitted receipts | - | - | - |
| (-) Permitted payments | - | - | - |
| (-) Amount deposited in Banks | 5,000 | 386 | 5,386 |
| Closing cash in hand as on 30.12.2016 | - | - | - |

- 2.27 The Company has been sanctioned credit limits of Rs 370 crores by scheduled banks secured against pledge of investments in security receipts. The Company has issued outstanding Listed Non - Convertible Debentures of Rs 540 crores which are fully secured against first charge on land and hypothecation of security receipts.

- 2.28 Maturity profile and rate of interest of Non Convertible Debentures (NCD) face value of Rs 10,00,000/- each

₹ in crore

| Particulars | Non Current | | Current | |
|---|---------------|---------------|---------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| 12% Tranche II NCD redeemable in the year 2017-18 | - | 100.00 | 100.00 | - |
| 13% NCD redeemable in the year 2019-20 # | 100.00 | 100.00 | - | - |
| 12% Tranche III NCD redeemable in the year 2017-18 | - | 100.00 | 100.00 | - |
| 11.50% Tranche IV NCD redeemable in the year 2018- 19 | 50.00 | 50.00 | - | - |
| 9.50% Tranche V NCD redeemable in the year 2020-21 | 150.00 | - | - | - |
| 9.40% Tranche VI NCD redeemable in year 2018-19 | 40.00 | - | - | - |
| Total | 340.00 | 350.00 | 200.00 | - |

Call option to the Company in September 2017

2.29 Maturity profile of Term Loans

₹ in crore

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|------------------------|--------------------------------------|--------------------------------------|
| Financial Year 2016-17 | - | 30.00 |



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NOTES TO THE FINANCIAL STATEMENTS
2.30 Segment Reporting

The Company operates in one business segment, viz. asset reconstruction and one geographical segment, hence there are no reportable segments.

2.31 The Company does not have any contracts remaining to be executed on Capital Account

2.32 The Company does not have any pending litigations which would impact its financial position

2.33 Leases
a) Finance Lease

The Company has acquired vehicles under the finance lease agreement. The tenure of lease agreements ranges between 36 and 60 months with an option to prepayments/foreclosure.

The minimum lease rentals outstanding with respect to these assets are as under:

| Particulars | ₹ in crore | | | | | |
|--|--|-------------------------------|---|--|-------------------------------|---|
| | Total minimum lease payment outstanding as at March 31, 2017 | Lease finance charges not due | Present value of the minimum lease payment as at March 31, 2017 | Total minimum lease payment outstanding as at March 31, 2016 | Lease finance charges not due | Present value of the minimum lease payment as at March 31, 2016 |
| Not later than 1 year | 0.28 | 0.04 | 0.24 | 0.29 | 0.06 | 0.23 |
| Later than 1 year but not later than 5 years | 0.15 | 0.01 | 0.14 | 0.31 | 0.03 | 0.28 |
| Later than 5 years | - | - | - | - | - | - |
| Total | 0.44 | 0.05 | 0.38 | 0.60 | 0.09 | 0.51 |

b) Operating Lease

The operating leases for premises are executed for a period ranging from 60 months to 86 months with a renewal clause

| Particulars | ₹ in crore | |
|--|---|---|
| | Total lease payments outstanding as at March 31, 2017 | Total lease payments outstanding as at March 31, 2016 |
| Not later than 1 year | 2.58 | 2.51 |
| Later than 1 year but not later than 5 years | 9.25 | 7.34 |
| Later than 5 years | 0.12 | 0.14 |
| Expenditure debited to profit & loss account | 2.84 | 2.62 |

2.34 Employee benefits
A - Defined benefit plans
a) Gratuity

| Amount recognised in the balance sheet with respect to gratuity | ₹ in crore | |
|---|-----------------------------------|-----------------------------------|
| | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| Present value of the defined benefit obligation at the year end | 0.84 | 0.64 |
| Fair value of plan assets | - | - |
| Net liability | 0.84 | 0.64 |



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NOTES TO THE FINANCIAL STATEMENTS

| Amount recognized in salary, wages and employee benefits in the Statement of profit and loss with respect to gratuity | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|-----------------------------------|-----------------------------------|
| Current service cost | 0.08 | 0.07 |
| Interest on defined benefit obligations | 0.05 | 0.04 |
| Expected return on plan assets | - | - |
| Net actuarial (gain) loss recognized during the year | 0.09 | (0.01) |
| Past service cost | - | - |
| Net gratuity cost | 0.22 | 0.09 |

| Reconciliation of present value of the obligation and the fair value of the plan assets: | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|-----------------------------------|-----------------------------------|
| Opening defined benefit obligation | 0.64 | 0.46 |
| Current service cost | 0.08 | 0.07 |
| Interest cost | 0.05 | 0.04 |
| Actuarial (gain)/loss | 0.09 | (0.01) |
| Past service cost | - | - |
| Liability assumed on acquisition/(settled on divestiture) | 0.00 | 0.13 |
| Benefits paid | (0.03) | (0.05) |
| Closing defined benefit obligation | 0.84 | 0.64 |

| Change in fair value of plan assets | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|-----------------------------------|-----------------------------------|
| Opening fair value of the plan assets | - | - |
| Expected return on plan assets | - | - |
| Actuarial (gain)/loss | - | - |
| Assets acquired on amalgamation | - | - |
| Contributions by the employer | 0.03 | 0.05 |
| Benefits paid | (0.03) | (0.05) |
| Closing fair value of the plan assets | - | - |

| Investment details of plan assets | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|-----------------------------------|-----------------------------------|-----------------------------------|
| Investment details of plan assets | - | - |

| Principal actuarial assumptions at the balance sheet date | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|-----------------------------------|-----------------------------------|
| Discount rate | 7.20% | 7.95% |
| Estimated rate of return on plan assets | - | - |
| Retirement age | 60 years | 60 years |
| Salary escalation | 7% | 7% |

Valuation assumptions

- The estimates of future salary increases, takes into account inflation, seniority, promotion and other relevant factors.
- The above information is certified by the actuary.

b) Compensated absences

As per Company's policy, provision of Rs.0.55 crore (previous year Rs.0.42 crore) has been made towards compensated absences, calculated on the basis of unutilised leave as on the last day of the financial year.



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

B - Defined contribution plans

Amount recognised as an expense and included in the 'Contribution to provident fund & other funds' Rs. 0.65 crore (previous year Rs. 0.48 crore.)

- 2.35** Sub-Rule 7 of Rule 18 of the Companies (Share Capital and Debenture) Rules 2014 requires companies to create Debenture Redemption Reserve ('DRR') for the purpose of redemption of debentures. The said Rule, inter alia, provides that no DRR is required to be created by NBFCs registered with RBI under Section 45-IA in case of privately placed debentures.

The Company, though an NBFC, is also a Securitisation and Reconstruction Company ('SCRC') registered with RBI under Section 3 of the SARFAESI Act 2002. The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 as amended, inter alia, specifies that the provisions of Section 45-IA of RBI Act, 1934 relating to registration shall not apply to an NBFC, which is a SCRC registered with the RBI under Section 3 of SARFAESI Act, 2002. The aforesaid sub-rule, on the similar grounds, also exempts Housing Finance Companies from the requirement of creating DRR. In view of these provisions and background, and as per the legal opinion, the management of the Company believes that requirement of creating DRR is not applicable to SCRC. Hence no DRR is created by the Company for the Debentures issued by it during the year under report in the financial statements for the financial year 2016-17.

Additionally, the Company has written to the Ministry of Corporate Affairs to issue the necessary clarification with regard to the above for which the response is awaited.

- 2.36** Expenditure towards corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with Schedule VII thereof)
- a.** Gross amount required to be spent by the Company during the year – Rs.2.05 crore (previous year Rs.1.38 crore)
 - b.** Amount spent and paid during the year by way of donations to charitable trusts– Rs.2.05 crore (previous year, Rs.1.38 crore)
- 2.37** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS
Additional disclosure:

The following additional disclosures have been made taking into account RBI guidelines in this regard:

- a) Name and address of the banks / financial institutions/ NBFCs from whom financial assets were acquired and the values at which such assets were acquired from each such bank/ financial institutions/ NBFCs.

₹ in crore

| Name of the selling bank / financial institution / NBFC | Address | Acquisition cost | % to total |
|---|---|------------------|--------------|
| Sponsor | | | |
| Indian Overseas Bank* | 763, Anna Salai, Chennai | 827.91 | 6.23% |
| Sponsor Total | | 827.91 | 6.23% |
| Non- Sponsors | | | |
| State Bank of India | State Bank Bhavan, Corporate Centre, Madame Came Marg, Mumbai, Maharashtra – 400 021 | 1,712.57 | 12.90% |
| Bank of India | Star House, C-5, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 | 1,178.41 | 8.87% |
| UCO Bank | Biplabi Trailokya Maharaj Sarani, Kolkata - 700001 | 1,064.70 | 8.02% |
| Syndicate Bank | Maker Tower E, II Floor, Cuffe Parade, Colaba, Mumbai - 400005 | 920.77 | 6.93% |
| ICICI Bank | ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051 | 884.65 | 6.66% |
| HDFC Limited | Ramon House, 4th Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Mumbai 400 020 | 863.89 | 6.51% |
| Union Bank of India | Union Bank Bhavan, 239 Vidhan Bhavan Marg, Mumbai -400021 | 632.52 | 4.76% |
| Punjab National Bank | 7, Bhikhaji Cama Place, New Delhi | 527.81 | 3.97% |
| Central Bank of India | Chandermukhi, Nariman Point, Mumbai 400021 | 351.40 | 2.65% |
| EXIM Bank | Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai - 400005 | 325.25 | 2.45% |
| Cosmos Co-operative Bank Ltd | Cosmos Heights, 269/270 Shaniwar Peth, Pune - 411030 | 309.00 | 2.33% |
| Karur Vysya Bank | Erode Road, Karur - 639002 | 281.00 | 2.12% |
| Vijaya Bank | 41/2 M. G. Road, Bangalore - 560001 | 255.75 | 1.93% |
| Federal Bank | Federal Towers, Aluva, Ernakulum, Kerala - 683101 | 244.80 | 1.84% |
| State Bank of Mysore | P.B. No. 9727, Kempe Gowda Road, Bangalore - 560009 | 239.60 | 1.80% |
| Bank of Baroda | Kalpataru Heritage Building, 6th floor, Nanik Motwani Lane, Fort, Mumbai - 400023 | 226.31 | 1.70% |
| Indian Bank | 254-260, Avvai, Shanmugam Salai, Royapettah, Chennai - 600014 | 222.30 | 1.67% |
| State Bank of Travancore | 34, Poojapura, Thiruvananthapuram - 695012 | 199.00 | 1.50% |
| State Bank of Hyderabad | Head Office- Gunfoundry, Hyderabad - 500001 | 192.97 | 1.45% |
| Oriental Bank of Commerce | Harsh Bhavan, E- Block, Connaught Place, New Delhi - 110001 | 176.92 | 1.33% |
| State Bank of Patiala | The Mall, Patiala - 147105 | 169.60 | 1.28% |
| Karnataka Bank | Mahavira Circle, Kankanadi, Mangalore - 575002 | 165.51 | 1.25% |
| Axis Bank | Maker Towers F, 13th Floor, Cuffe Parade, Mumbai - 400005 | 151.48 | 1.14% |
| IDBI Bank | IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005 | 120.49 | 0.91% |
| Corporation Bank | Mangladevi Temple Road, Mangalore - 575 001 | 84.29 | 0.63% |
| State Bank of Bikaner & Jaipur | Tilaknagar, Jaipur - 302005 | 83.35 | 0.63% |
| United Bank of India | 11, Hemanta Basu Sarani, Kolkata | 80.65 | 0.61% |
| Indian Overseas Bank | 763, Anna Salai, Chennai | 80.50 | 0.61% |
| South Indian Bank | SIB House, Mission Quarters, T B Road, Thrissur, Kerala - 680001 | 79.33 | 0.60% |
| Canara Bank | 112 J. C. Road, Bangalore | 71.55 | 0.54% |
| Catholic Syrian Bank | CSB Bhavan, St. Mary's College Road, Thrissur, | 63.75 | 0.48% |
| Sicom Ltd | Solitaire Corporate Park, Building No 4, Andheri Kurla Road, Chakala, Andheri (East), Mumbai - 400093 | 62.87 | 0.47% |
| Yes Bank | 9th floor Nehru Centre, Worli, Mumbai - 400018 | 54.45 | 0.41% |



| Name of the selling bank / financial institution / NBFC | Address | Acquisition cost | % to total |
|---|---|------------------|----------------|
| HSBC | 52/60, M. G. Road, Fort, Mumbai - 400001 | 49.03 | 0.37% |
| Lakshmi Vilas Bank | LVB House, 4/1, Sardar Patel Road, guindy, Chennai - 600032. Tamil Nadu | 34.67 | 0.26% |
| Stressed Assets Stabilisation Fund | IDBI Tower, 10th Floor, WTC Complex, Cuffe Parade, Mumbai 400005 | 31.20 | 0.23% |
| Dena Bank | C -10, G Block, Bandra Kurla Complex, Mumbai - 400051 | 31.07 | 0.23% |
| Andhra Bank | Dr. Pattabhi Bhawan, 5-9-11, Saifabad, Hyderabad 500 004 | 25.07 | 0.19% |
| Ratnakar Bank | One India Bulls Center, Tower 2 , 6th Floor, 841, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013 | 25.00 | 0.19% |
| Tata Capital Financial Services Limited | One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai 400001 | 24.50 | 0.18% |
| HUDCO | HUDCO Bhawan, Core-7-A, India Habitat Centre, Lodhi Road, New Delhi - 110 003 | 21.34 | 0.16% |
| Bank of Bahrain & Kuwait B.S.C | Jolly Maker Chamber, 2, Ground Floor, Nariman point, Mumbai - 400021 | 19.19 | 0.14% |
| Deutsche Bank | DB House, Hazarimal Somani Marg, Fort, Mumbai 400001 | 18.35 | 0.14% |
| Bank of Maharashtra | "Lokmangal" 1501, Shivajinagar, Pune 411005 | 16.65 | 0.13% |
| Allahabad Bank | 2, Netaji Subhash Road, Kolkata - 700001 | 13.73 | 0.10% |
| Kotak Mahindra Bank Limited | 27 BKC, Plat No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 | 7.50 | 0.06% |
| Specified Undertaking of UTI | UTI Tower, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 | 7.30 | 0.05% |
| Barclays PLC | 801, Ceejay House, Annie Besant Raod, Worli, Mumbai - 400018. | 7.22 | 0.05% |
| KKR India Financial Services Pvt. Ltd. | Regus CitiCentre, Level 6, 10/11, Dr. Radhakrishna Salai, Tamil Nadu, Chennai 600 004 | 6.75 | 0.05% |
| Rupee Co-operative Bank | 2062, Sadashiv Peth, Astang Ayurved Building, Pune- 411030 | 6.00 | 0.05% |
| SBI Global Factors Limited | 6th Floor, Metropoliton Building, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 | 4.50 | 0.03% |
| BNP Paribas | Unit No 203, Sakar II, Ellisbridge, Ahmedabad 380006 | 3.39 | 0.03% |
| IFCI Factors Limited | 10Th Floor, IFCI Tower, 61 Nehru Place, New Delhi 110 019 | 3.13 | 0.02% |
| SBM Bank (Mauritius) Limited | 101, Raheja Centre, Nariman Point, Mumbai 400 021 | 2.85 | 0.02% |
| Standard Chartered Bank | 23, Narain Manzil, Barakhamba Road, New Delhi- 110001 | 2.59 | 0.02% |
| IL & FS Financial Services Limited | IL & FS Financial Centre, Plat C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051 | 2.27 | 0.02% |
| CTBC Bank Co Limited | UGF, Birla Tower, 25, Barakhamba Raod, New Delhi - 110 001 | 2.02 | 0.02% |
| The Saraswat Co-op Bank Ltd | Mittal Court 'A' Wing 1st Floor, Nariman Point, Mumbai - 400004 | 1.91 | 0.01% |
| Dhanalakshmi Bank | Dhanalakshmi Buildings, Naickanal, Thrissur, Kerala - 680001 | 1.59 | 0.01% |
| The Nashik Road Deolali Vyapari Sahakari Bank Ltd | Kalpavruksha, Aashanagar, Nashikroad, Nashik, Maharashtra - 422101 | 1.50 | 0.01% |
| Life Insurance Corporation of India | Yogakshema, Jeevan Bima Marg, Mumbai - 400021 | 1.50 | 0.01% |
| L & T Fincorp Limited | Brindavan, Plot no. 177, Vidyanagari Marg, CST Raod, Kalina, Santacruz, Mumbai 400 098 | 0.81 | 0.01% |
| UTI Mutual Fund | UTI Tower, Gn Block, Bandra Kurla Complex, Bandra (East) 400051 | 0.60 | 0.00% |
| Non Sponsors Total | | 12,450.67 | 93.77% |
| Grand Total | | 13,278.58 | 100.00% |

* Indian Overseas Bank has ceased to be a sponsor with effect from September 22, 2015. Hence subsequent acquisitions from the same bank has been grouped in Non Sponsor acquisitions.



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b) Dispersion of various assets industry wise.

₹ in crore

| Industry | Acquisition Price | % to total |
|------------------------|-------------------|----------------|
| Hospitality | 4,597.55 | 34.62% |
| Real Estate | 1,717.05 | 12.93% |
| Pharmaceuticals | 1,359.89 | 10.24% |
| Textiles | 1,079.10 | 8.13% |
| Ceramics | 803.06 | 6.05% |
| Iron & Steel | 497.84 | 3.75% |
| Chemicals | 297.43 | 2.24% |
| Plywood/ laminates | 257.76 | 1.94% |
| Airlines | 238.75 | 1.80% |
| Retail | 237.21 | 1.79% |
| Infrastructure | 213.17 | 1.61% |
| Cement | 147.32 | 1.11% |
| Media | 139.71 | 1.05% |
| Power | 137.40 | 1.03% |
| Trading | 130.83 | 0.99% |
| Information Technology | 126.66 | 0.95% |
| Metals | 112.07 | 0.84% |
| Leather | 107.15 | 0.81% |
| Coal | 101.80 | 0.77% |
| Plastics | 92.79 | 0.70% |
| Packaging | 92.79 | 0.70% |
| Food Products | 87.82 | 0.66% |
| Healthcare | 76.75 | 0.58% |
| Paper | 71.79 | 0.54% |
| Engineering | 67.53 | 0.51% |
| Poultry | 59.44 | 0.45% |
| Gems & Jewellery | 58.77 | 0.44% |
| Plantation | 47.63 | 0.36% |
| Transportation | 38.74 | 0.29% |
| Electronic | 37.48 | 0.28% |
| Education | 33.84 | 0.25% |
| Agro Products | 29.13 | 0.22% |
| Alcohol | 10.45 | 0.08% |
| Paints | 6.91 | 0.05% |
| Others | 164.98 | 1.24% |
| Total | 13,278.58 | 100.00% |

- c The above table (b) has been prepared by management and the same has been relied upon by the auditors.
- d The acquisition price in the tables (a) and (b) above includes financial assets acquired till March 31, 2017 including financial assets resolved till date.
- e Restructuring Loan disbursed to one borrower amounting to Rs. 9.95 crore, classified as non- performing asset in FY 2013-14 is classified as a loss asset as on March 31, 2017. A provision of 100%, Rs. 9.95 crore has been made on the same.
- f The accounting policies adopted by the Company in preparation and presentation of the financial statements are in conformity with the applicable prudential norms prescribed by the RBI.
- g The Company has put in place internal audit system, scope of which provides for periodical checks and review of the assets acquisition procedures and asset reconstruction measures and the matters related thereto.
- h The capital adequacy ratio is well above fifteen percent of its total risk weighted assets, accordingly the Company has complied with the capital adequacy norms as prescribed the RBI.



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NOTES TO THE FINANCIAL STATEMENTS

- i Additional disclosure as per RBI Notification No. DBNS.PD(SC/RC). 8/ CGM (ASR) dated April 21, 2010.

₹ in crore

| Particulars | Amount (Face Value) |
|---|------------------------|
| Value of financial assets acquired during the financial year either in its own books or in the books of the trust | 2,252.36 |
| Value of financial assets realized during the financial year | 433.83 |
| Value of financial assets outstanding for realization as at the end of the financial year | 11,174.87 |
| Value of Security Receipts redeemed partly during the financial year | 188.01 |
| Value of Security Receipts redeemed fully during the financial year | 10.73 |
| Value of Security Receipts pending for redemption as at the end of the financial year | 11,874.08 |
| Value of Security Receipts which could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the Securitization company or Reconstruction company under Paragraph 7(6)(ii) or 7(6)(iii) | Nil |
| Value of land and/or building acquired in ordinary course of business of reconstruction of assets | Nil |

- j Additional disclosure as per RBI Notification No. DNBS (PD) CC. No. 41/SCRC/26.03.001/2014-2015 dated August 5, 2014 (for acquisitions made after August 5, 2014):

- None of the assets have been acquired during the year at a price higher than the book value (value of assets declared by seller bank in the auction)
- None of the assets (i.e. total purchase consideration paid at the trust level) have been disposed off during the financial year at a discount of more than 20% of its valuation as on the previous year end
- In none of the trusts, the value of the SRs (i.e. Net Asset Value) have declined more than 20% below the acquisition value.



D – BOARD RESOLUTION

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS AT ITS MEETING HELD ON MAY 10, 2016

“RESOLVED THAT in supersession of resolution passed vide Board Minute no. 13 dated May 27, 2015 and subject to the approval of the Members and such other statutory approval(s), consent(s), permission(s) or sanction(s) as may be required and pursuant to Sections 42, 71, 179(3)(c) and all other applicable provisions, if any, of the Companies Act, 2013, read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Board hereby approves to offer, issue and allot Non-Convertible Debentures (NCDs) for an amount aggregating up to ₹ 1000 Crore (Rupees One Thousand Crore only) to the investors in one or more tranches, from time to time, on a private placement basis on the following broad terms and conditions:

| | |
|--|---|
| Type of Instrument | : Non-Convertible Redeemable Debentures |
| Rate of interest/Implicit yield | : Between 6% and 16% p.a. |
| Maximum amount that may be borrowed through the issue of NCDs and remaining outstanding at any given point of time | : ₹ 1000 Crore |
| Face value of the NCDs | : up to ₹ 1 Crore per NCD.” |

“RESOLVED FURTHER THAT the proceeds of the issue of NCDs would be utilised by the Company for augmenting the working capital requirements, re-financing existing borrowings, acquisition of financial assets, making investments in Security Receipts and for the general corporate purposes of the Company.”

“RESOLVED FURTHER THAT the NCDs that may be issued by the Company from time to time in pursuance of the above resolution may be admitted for listing on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited and/or Debt Market segment of the BSE Limited in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 AND THAT the Board hereby approves making the required application to the above stock exchange(s) for the purpose of listing.”

“RESOLVED FURTHER THAT the Company do issue the Shelf Offer Document/Disclosure Document (DD) which shall be prepared in accordance with the provisions of:

- the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- the issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, and RBI Guidelines dated February 20, 2015; and
- the Companies (Prospectus and Allotment of Securities) Rules, 2014 under the Companies Act, 2013.”

JM Financial Asset Reconstruction Company Limited

(Formerly known as JM Financial Asset Reconstruction Company Private Limited)

Corporate Identity Number : U67190MH2007PLC174287

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

T: +91 22 6630 3030 F: +91 22 6630 3223 www.jmfinancialarc.com



“RESOLVED FURTHER THAT the Issue and Allotment Committee of the Board be and is hereby authorised to approve the Offer Document/Disclosure Document/ Form PAS-4 and Mr. Sabyasachi Ray, the Chief Financial Officer and Mr. Nikhil Bhandary, the Company Secretary, be and are hereby severally authorised to issue the said Offer Document/Disclosure Document/Form PAS-4 from time to time.”

“RESOLVED FURTHER THAT Mr. V P Shetty, Mr. Anil Bhatia, Mr. Vivek Grover, Mr. Sabyasachi Ray and Mr. Nikhil Bhandary (“Authorised Signatories”) be and are hereby severally authorized to appoint trustee(s), rating agencies, valuation agencies, registrars and transfer agents and to make, apply, sign and/or execute any writings, applications, agreements, undertakings, hypothecation agreements, debenture trustee appointment agreement, debenture trust deed, declarations, contracts, memorandum of understanding, letters of allotment, debenture certificates and/or all such other documents, as may be required in connection with the issue and listing of NCDs as above and to make necessary applications to National Securities Depository Limited and/or Central Depository Services (India) Limited for the purpose of issue of NCDs in electronic mode AND THAT they be further severally authorized to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable for the purpose of giving effect to the issue of NCDs.”

“RESOLVED FURTHER THAT the Board hereby approves giving declaration as required under Form PAS-4 annexed to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 AND THAT the Authorised Signatories as above be and are hereby severally authorised to sign, make and file the said Form PAS-4 and such other Form(s) with the Registrar of Companies, Maharashtra, Mumbai, through the Ministry of Corporate Affairs’ website portal.”

“RESOLVED FURTHER THAT the monies borrowed by the Company through the issue of NCDs as above may be secured by way of a mortgage or creation of security interests of any kind, on or in respect of all or any part of the immovable/movable properties including the Security Receipts, current/fixed assets, tangible/intangible assets, book debts/claims as identified by the Company wherever situate, present and future and such mortgage or other security interests may rank either first, exclusive, pari-passu with or subsequent, subservient or subordinate to all or any mortgages and/or other security interests created/to be created by the Company, in favour of the debenture trustees/security trustees/debenture holders AND THAT the Authorised Signatories as above be and are hereby severally authorised to admit the debenture trust deed / hypothecation / mortgage deed for registration, if and to the extent required, with the sub-registrar of assurances.”

“RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed to any of the documents to be executed in this regard in the presence of any one of the Directors or any one of the Key Managerial Personnel of the Company or any one of the Authorised Signatories.”

Certified to be true



Nikhil Bhandary
Company Secretary

Place: Mumbai
Date: April 20, 2017

E – SHAREHOLDERS’ RESOLUTION

CERTIFIED TRUE COPY OF SPECIAL RESOLUTION PASSED BY THE MEMBERS AT THE NINTH ANNUAL GENERAL MEETING HELD ON JULY 19, 2016

“RESOLVED THAT pursuant to the provisions of Sections 23, 42, 71 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the applicable provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time, and the regulations, circulars and clarifications issued by the Reserve Bank of India and the Securities and Exchange Board of India, from time to time to the extent applicable to the Company, approval of the Members be and is hereby accorded to the Board of Directors of the Company (the ‘Board’, which term shall be deemed to include any Committee thereof) to offer, issue and allot secured/unsecured, listed/unlisted, redeemable Non-convertible Debentures, in one or more series/tranches aggregating up to ₹1,000 Crore (Rupees One Thousand Crore only), on private placement basis, on such terms and conditions as the Board may, from time to time, determine in the best interests of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto.”

Place : Mumbai
Date : June 20, 2017

Certified to be true



Nikhil Bhandary
Company Secretary