

DOCUMENT CONTAINING DISCLOSURES AS PER SCHEDULE I OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED BY SEBI (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2012 AND COMPANIES ACT, 2013

**JM FINANCIAL PRODUCTS LIMITED**

(Originally incorporated on July 10, 1984, in the name of J.M. Lease Consultants Pvt. Ltd. Name of the Company was changed to JM Financial Products Private Limited w.e.f. June 10, 2005. The Company was converted to a Public Limited Company w.e.f. June 28, 2010 and consequently the name of the Company was changed to JM Financial Products Limited)

**Registered Office:** 7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025

**Tel :** (022) 6630 3030 **Fax :** (022) 6630 3223

**Corporate Office:** 7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025

**Tel :** (022) 6630 3030 **Fax :** (022) 6630 3223

**Compliance Officer / Contact Person:** Ms. Reena Sharda **Email:** reena.sharda@jmfl.com **website:** www.jmfl.com

**SHELF DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF UPTO 10,000 SECURED, RATED, LISTED, REDEEMABLE NON-CONVERTIBLE DEBENTURES (“DEBENTURES” OR “NCDs”) OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) EACH FOR CASH AGGREGATING UPTO RS 10,00,00,000/- (RUPEES ONE THOUSAND CRORE) TO BE ISSUED IN ONE OR MORE TRanches (THE “ISSUE”)**

**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 any Tranche of this Issue. For taking an investment decision, the investors must rely on their own examination of the Company, this Shelf Disclosure Document and any Supplemental Disclosure Document issued in pursuance hereof and the Issue including the risks involved. The Issue has not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Shelf 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 Shelf 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.

**CREDIT RATING**

ICRA Limited has reaffirmed a “[ICRA] AA/Stable” (pronounced “ICRA double A with stable outlook”) rating and a PP-MLD [ICRA]AA/Stable (pronounced “P P M L D ICRA double A) and CRISIL Ratings has reaffirmed a “CRISIL AA/Stable” (pronounced “CRISIL double A rating with stable outlook”) rating to the captioned Issue. 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 Shelf Disclosure Document contains all information as required under Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended, and RBI Guidelines, that this information contained in this Shelf 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 Shelf 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 the BSE Ltd. (“BSE”). The BSE has given its ‘in-principle’ approval to list the Debentures vide its letter dated March 8, 2017.

This Shelf Disclosure Document is dated March 8, 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

Website: www.karvycomputershare.com

Contact Person: Mr. P.A.Varghese

**DEBENTURE TRUSTEE**

**IDBI Trusteeship Services Limited**

Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001

Tel: +91 22 4080 7000; Fax: +91 22 6631 1776

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Website: www.idbitrustee.com

Contact Person: Ms. Swapnali Hirlekar

Note: This Shelf Disclosure Document is strictly for a private placement and is only an information brochure intended for private use. Nothing in this Shelf 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 Shelf Disclosure Document should not be construed to be a prospectus or a statement in lieu of prospectus under the Act. This Shelf 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 Shelf Disclosure Document (the “**Disclosure Document**” or “**DD**”) is **neither a prospectus nor a statement in lieu of prospectus** under the Act. This Disclosure Document has not been submitted for its approval 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 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.

The Trustees, “ipso facto” do not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid/invested by investors for the debentures/Bonds.

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 and the Supplemental Disclosure Document(s) (“**Supplemental DD**”). You may not and are not authorised 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 and/or any Supplemental 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 allottees of these NCDs to also ensure that they/it will transfer these Debentures in strict accordance with this DD and other applicable laws.

The Company has also registered itself with BSE Limited to provide Electronic book mechanism for issuance of the NCDs, for the same, the participants will require to adhere to the Circular dated April 21, 2016 issued by SEBI on Electronic book mechanism for issuance of debt securities on private placement basis.

#### **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 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 copy of this DD has been filed with BSE 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 the 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 promoters, its management or any scheme or project of the Company.

## **DISCLAIMER CLAUSE OF RBI**

The Company has obtained a certificate of registration dated March 2, 1998 bearing registration no. B - 13.00178 issued by the RBI to carry on the activities of an NBFC under section 45 IA of the RBI Act, 1934. However a copy of this DD has not been filed with or submitted to the Reserve Bank of India (“RBI”). It is distinctly understood that this DD should not in any way be deemed or construed to be approved or vetted by RBI. RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Issuer or for the correctness of any of the statements or representations made or opinions expressed by the Issuer and for discharge of liability by the Issuer. By issuing the aforesaid certificate of registration dated March 2, 1998 to the Issuer, 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 SEBI regulations, Companies Act, 2013 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 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 or any Tranche under the Issue 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, collected in respect of that Tranche 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 Products Limited/ JMFPL/ the Company/ the Issuer	JM Financial Products Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 7 <sup>th</sup> Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025, Maharashtra, India

### Company related terms

Term	Description
Auditor	Deloitte Haskins & Sells LLP, 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, as may change from time to time, 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 Reserve Bank of India Act, 1934, as amended from time to time
Registered Office	The registered office of the Company located at 7 <sup>th</sup> Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025, Maharashtra, India

### Issue related terms

Term	Description
Act	“Act” shall mean the Companies Act, 2013 to the extent notified and includes statutory modifications, amendments, re-enactments thereof including all tables, schedules, rules, notifications, clarifications, orders and circulars issued there under for the time being in force AND shall mean Companies Act, 1956 to the extent still applicable
Allotment/Allot	The allotment of the NCDs or Debentures
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
BSE	BSE Limited



Term	Description
Business Day	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 and as per SEBI Circular no. CIR/IMD/DF-1/122/2016 dated November 11, 2016 for the purpose of payment of coupon amount and principal amount.
CDSL	Central Depository Services (India) Limited
Debenture(s) / NCDs	Secured, rated, listed, redeemable, non-convertible debenture(s) of the face value of Rs. 10,00,000 (Rupees Ten lakh each) for cash aggregating upto Rs. <b>10,00,00,00,000/- (Rupees One Thousand Crore)</b> to be issued in one or more Tranches, whether linked to market or otherwise, pursuant to the DD and the Supplemental DDs.
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 IDBI Trusteeship Services Limited
Deemed Date of Allotment	The deemed date of allotment of NCDs will be as specified in the relevant Supplemental DD issued for each Tranche of Debentures
Depository(ies)	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) 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
Disclosure Document/ DD/ Shelf Disclosure Document	This Shelf 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 and Form PAS-4 of the Companies Act, 2013, as amended from time to time
DP-ID	Depository Participant Identification Number
DRR	Debenture Redemption Reserve
ECS	Electronic clearing system
Equity Shares	Equity shares of the Company of face value of Rs. 10 each
Issue	Private placement of the Debentures
Interest / Coupon Rate	The rate of interest payable, if any, on the NCDs for the period specified in the relevant Supplemental DD issued for each Tranche of the Debentures
Market Lot	The minimum lot size for trading of the Debentures on the Stock Exchange, being one Debenture
Moveable Property	Moveable Property shall mean the specific identified Receivables of the Company provided as security in relation to the Debentures
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

<b>Term</b>	<b>Description</b>
NEFT	National Electronic Fund Transfer
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
RTGS	Real Time Gross Settlement
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 vide its circular dated February 20, 2015 and other applicable directions, circulars, issued by RBI as applicable
RoC	Registrar of Companies, Mumbai, Maharashtra
Rating Agency	ICRA Limited and CRISIL Ratings
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 and book debts of the Company
Redemption Date	With respect to any Tranche shall mean the date on which repayment of principal amount and all other amounts due in respect of the Debentures of that Tranche will be made
Registrar/Registrar to the Issue/RTA	Registrar to the Issue, in this case being Karvy Computershare Private Limited or such other RTA appointed by the Board.
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 issued by SEBI 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
Supplemental Disclosure Document(s) / Supplemental DD	Means a supplemental disclosure document to be issued by the Company containing <i>inter alia</i> the issue price, Interest Rate (if any), redemption premium (if any) and other terms and conditions regarding each Tranche of the NCDs issued under the Issue. The Company shall be free to amend the format of Supplemental DD depending upon the terms and conditions of the NCDs being issued in each tranche
Tranche	Any tranche of Debentures issued under the Issue pursuant to the issue of a Supplemental DD
Stock Exchange	BSE
WDM	Wholesale Debt Market Segment of the BSE



## 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. Potential investors should carefully consider all the risk factors in this DD for evaluating the Company and 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. Increasing competition from banks, financial institutions and NBFCs**

The successful implementation of Company's growth plans depends on its ability to face the competition. The main competitors of the Company are NBFCs, financial institutions and banks. The Company, being a non-deposit taking NBFC, does not have access to low cost deposits because of which it may become less competitive. Many of its competitors have significantly greater financial, technical, marketing and other resources. Many of them also offer a wider range of services and financial products than the Company does and have greater brand recognition and a larger client base. As the Company ventures into offering newer products, it is likely to face additional competition from those who may be better capitalised, have longer operating history and better management. If the Company is unable to manage its business and compete effectively with current or future competitors it might impede its competitive position and profitability.

## 2. 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 NBFC, the Company has lent money for various maturities and with varying security to a number of institutional and non-institutional clients. The gross loan portfolio stood at Rs. 4,122.41 crore as on December 31, 2016 and Rs. 3,142.91 crore as on March 31, 2016. The Company is exposed to the risk of such third parties which owe money, securities or other assets not performing their obligations due to various reasons.

The Company will institutionalise a systematic credit evaluation process monitoring the performance of its asset portfolio on a regular and continual basis to detect any material development, and constantly evaluate the changes and developments in sectors in which it has substantial exposure. The Company will also endeavour to undertake a periodic review of its entire asset portfolio with a view to determine the portfolio valuation, identify potential areas of action and devise appropriate strategies thereon. Despite these efforts, there can be no assurance that repayment default will not occur and/or there will be no adverse effect on the Company's financial results and/or operations as a result thereof.

In performing its credit assessment, the Company relies largely on information furnished by or on behalf of its borrowers, including financial information, based on which the Company performs its credit assessment. The Company may also depend on certain representations and undertakings as to the accuracy, correctness and completeness of information, and the verification of the same by agencies to which such functions are outsourced. Any such information if materially misleading may increase the risk of default and could adversely impact the financial condition, financial results and/or operations of the Company.

A substantial portion of the Company's gross loan portfolio (excluding inter-corporate deposits) is secured by assets, moveable and immovable. 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 Company's security over the assets comprising its security and 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.

## 3. Repayment of principal is subject to the credit risk of the Company

Potential 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. Potential investors assume the risk that the Company will not be able to satisfy its obligations under the Debentures. 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 on the Debentures may be substantially reduced or delayed.

#### **4. Non-Performing Assets (“NPA”)**

If the level of NPAs in the Company’s portfolio were to increase, its business would suffer. The Company had 0.02% and 0.37% net NPAs as on December 31, 2016 and March 31, 2016 respectively and its provisioning norms comply with the RBI guidelines / directives. The Company believes that its overall financial profile, capitalization levels and risk management systems, provide significant risk mitigation. However, the occurrence of NPAs or an increase in the level of NPAs will adversely affect the Company’s business, financial results and/or operations.

#### **5. Interest Rate Risk**

The Company’s interest income from lending and gains from trading in debt securities are dependent upon interest rates and their movement. Interest rates are highly sensitive to many factors beyond the control of the Company, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. Consequently, there can be no assurance that significant interest rate movements will not have an adverse effect on the Company’s financial results and/or operations.

#### **6. 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 offer competitive interest rates for its loans or have adequate funds for its investment activities. This may adversely impact its business results and its future financial performance.

#### **7. Asset Liability Mismatch**

The Company is a “systemically important non deposit taking non-banking financial company” (NBFC – ND – SI) and 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 paper and short term loans from banks. However, some portion of the assets has medium term maturities thereby exposing the Company to liquidity risk. Potential funding mismatches can be created 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.

#### **8. Portfolio Concentration**

A large part of the Company’s lending portfolio comprises lending for real estate activities and capital market activities such as margin financing, IPO financing, loans against shares etc. Both these sectors are subject to volatility and cyclicity. Company’s performance may be adversely impacted if the real estate sector and capital market withstand a downtrend.

## **9. Limited track record in fixed income trading and wholesale lending**

The Company trades in corporate debt and provides promoter financing and corporate lending. These relatively new businesses entail a higher level of risk, given the exposure to relatively risky segments, such as acquisition financing and commercial real estate. Loans to these segments also have a relatively bigger ticket size vis-à-vis regular securities based lending. The Company's ability to manage healthy asset quality and profitability in these businesses, especially in case of an economic downturn, is yet to be fully demonstrated.

## **10. Operational and System Risk**

The Company is faced with 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 security 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.

## **11. The Company's operations are integrated with JM Financial group entities**

The Company leverages on the strengths of being part of the JM Financial group and its operations are integrated with various JM Financial group entities. Should there be any event which affects the group in a materially negative way it will have an adverse impact on the business of the Company.

## **12. 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.

## **13. Employee Misconduct**

Any kind of employee misconduct may impair the Company's ability to service 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.

#### **14. Downgrading in credit rating**

ICRA Limited has assigned “[ICRA] AA/Stable” rating for long term borrowings upto Rs. 700 crore and additionally Rs. 1000 crore through NCDs, CRISIL Ratings has assigned “CRISIL AA/Stable” for long term borrowings upto Rs. 700 crore and additionally Rs. 1000 crore through NCDs and PP-MLD [ICRA]AA/Stable rating to the Rs. 225 crore and additionally Rs. 200 crore for long term borrowings through Principal Protected Equity Linked Debenture. 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, potential 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.

#### **15. No guarantee**

JM Financial Limited, the Company’s holding 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.

#### **16. 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 and Debenture Holders who voted in a manner contrary to the majority.

#### **17. No Debenture Redemption Reserve**

As per the provisions of sub-rule 7 of Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, NBFCs are exempt from the requirement of creation of debenture redemption reserve in respect of privately placed debentures. Pursuant to this rule, the Company does not intend to create any such reserve funds for the redemption of the Debentures.

#### **18. 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 Trustee 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 potential investors’ amounts outstanding under the Debentures. Further, the security in relation to the Debentures is proposed to be created subsequently and within a maximum period of 3 months from the date of closure of the first issue under this Shelf DD and therefore, the Debentures will be unsecured till such time.

## **19. Tax and other Considerations**

Special tax, accounting and legal considerations may apply to certain types of potential investors. Potential 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.

## **20. Company's indebtedness and covenants imposed by its financing arrangements may restrict its ability to conduct its business or operations**

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.

## **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. The current trading of the Company's existing listed non-convertible debentures may not reflect the liquidity of the NCDs being offered through the Issue. 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 obstructions**

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 in its target markets. 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**

NBFCs in India are subject to detailed supervision and regulation by the RBI, though currently NBFCs not accepting public deposits are exempt from many provisions. In addition, the Company is generally subject to changes in Indian law, as well as to changes in regulations and policies and accounting principles. The RBI also requires the Company to make provisions in respect of NPAs. Any changes in the regulatory framework affecting NBFCs including risk weights on assets and/or provisioning norms for NPAs and/or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance by requiring a restructuring of its activities, increasing costs or otherwise. The Company is classified as a NBFC-ND-SI as defined in the RBI guidelines, which is subject to certain statutory, regulatory, exposure and prudential norms and this may limit the flexibility of the Company's loans, investments and other products.

### **4. A slowdown in economic growth in India**

The Company's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy or a fall in India's GDP may adversely affect its business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general downtrend in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

### **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 and NBFCs. 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 a 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. GENERAL RISK FACTORS**

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 this Issue. For taking an investment decision, the investors must rely on their own examination of the Company, this Shelf Disclosure Document and any Supplemental DDs issued in pursuance hereof and the Issue including the risks involved. The Issue has not been recommended or approved by SEBI or RBI nor does SEBI or RBI guarantee the accuracy or adequacy of this DD.

## **D. ADDITIONAL ASSUMPTIONS**

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 presume 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 the relevant Supplemental 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 the investment in the NCDs;
- 4) has not relied on either the Company or any of its affiliate, associate, holding, subsidiary or group entities 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 and the relevant Supplemental DD;
- 5) has understood that information contained in this DD and the relevant Supplemental 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 parent, its subsidiaries 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 mutual fund / provident fund / superannuation fund / gratuity fund (each a “fund”), that:
  - (a) investing in the NCDs on the terms and conditions stated herein is within the scope of the fund’s investment policy and does not conflict with the provisions of the trust deed / bye laws / regulations currently in force,
  - (b) the investment in NCDs is being made by and on behalf of the fund and that the fund is in force and existing and the investment has been ratified by appropriate resolutions, and
  - (c) the investment in NCDs has been duly authorised and does not contravene any provisions of the trust deed / bye laws / regulations as currently in force or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the fund or its assets;
- 12) 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 the 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.

## SECTION - III

## DISCLOSURES AS PER SCHEDULE I OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED AND COMPANIES ACT, 2013

## A. ISSUER INFORMATION

## A.a. Name and Address of the following:

Sr. No.	Particulars	Details
1.	Name of the Issuer	JM Financial Products Limited
2.	Registered Office of the Issuer	7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel. No. 022 - 6630 3030 Fax: 022 – 6630 3223
3.	Corporate Office of the Issuer	7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel. No. 022 - 6630 3030 Fax: 022 – 6630 3223
4.	Company Secretary and Compliance Officer of the Issuer	Ms. Reena Sharda 7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel. No. 022 - 6630 3030 Fax: 022 – 6630 3223 Email: reena.sharda@jmfl.com
5.	Chief Financial Officer of the Issuer	Mr. Hemant Kotak 1st Floor, B Wing, Suashish IT Park, Plot No. 68 E, Off. Dattapada Road, Opp. Tata Steel, Borivali (East), Mumbai – 400 066. Tel. No. 022 – 6761 7000 Fax: 022 – 6761 7222 Email: hemant.kotak@jmfl.com
6.	Arrangers, if any, of the instrument	As per relevant Supplemental DD
7.	Trustee of the Issue	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001 Tel: +91 22 6772 0354; Fax: +91 22 2859 1568 E-mail: swapnali@idbitrustee.com; website: www.idbitrustee.com
8.	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
9.	Credit Rating agency of the Issue	(1) ICRA Limited 1802, 18 <sup>th</sup> Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai 400 013. Tel: +91 22 61796300; Fax: +91 22 24331390 website: www.icra.in (2) CRISIL Ratings CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076 Tel: +91 22 33423000; Fax: +91 22 40405800 website: www.crisil.com
10.	Auditors of the Issuer	Deloitte Haskins & Sells LLP Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Elphinstone Mill Compound, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013, INDIA Tel: +91 22 6185 4000; Fax: +91 22 6185 4601 website: www.deloitte.com

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

**A.b. A brief summary of the business / activities of the Issuer and its line of business:**
**A.b.i. Overview:**

JM Financial Products Limited is a subsidiary of JM Financial Limited which is the flagship listed company of the JM Financial Group. JM Financial Group has interests in investment banking, institutional and retail equity broking, wealth management, investment advisory services, portfolio management, asset management, commodity broking, securities based lending, corporate lending, private equity and asset reconstruction.

JM Financial Products Limited is registered with the RBI as a “non-deposit taking systemically important non-banking financial company (NBFC-ND-SI)”. Further, as per the RBI classification norms, the Company is classified as a Loan company.

Taking into account the nature of services and risk-return profile, the business / activities of the Company can be divided in two broad segments:

- a) Fund based activities which includes Corporate Lending, Margin Funding, Initial Public Offer Funding, Loan against Shares, etc.; and
- b) Trading in debt securities which include purchase and sale of debt securities.

The Company is a leading player in the public issue and margin financing business. The Company also undertakes wholesale corporate lending, promoter funding and employee stock option financing. The Company leverages JM Financial Group’s clientele across segments such as investment banking, equity broking and investment advisory to offer securities based lending / wholesale funding to HNIs, retail customers and medium sized corporates. The gross loan portfolio stood at Rs. 4,122.41 crore as on December 31, 2016 and Rs. 3,142.91 crore as on March 31, 2016. The Company also has a debt trading portfolio primarily comprising of government securities and corporate bonds (including securitised instruments).

ICRA has assigned “[ICRA] AA/Stable” rating to the Rs. 700 Crore and additionally Rs. 1000 crore non-convertible debenture issue programme of the Company and PP-MLD [ICRA]AA/Stable rating to the Rs. 225 crore and additionally Rs. 200 crore to Principal Protected Equity Linked Debenture issue programme of the Company. CRISIL Ratings has assigned CRISIL AA/Stable” rating to the Rs. 700 Crore and additionally Rs. 1000 crore non-convertible debenture issue programme of the Company.

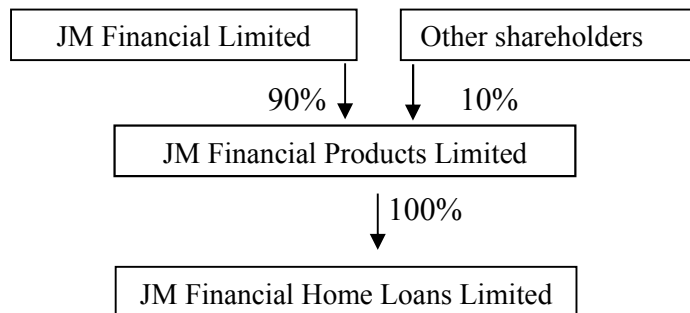
**Details of branches of the Company as on December 31, 2016**

Sr. No.	Branch name	Branch Address	City
1	Delhi	5G & H , 5th Floor, Hansalaya Building, 15 Barakhamba Road, New Delhi - 110001 (Relocated)	New Delhi
2	Ashram Road	301, 3rd Floor, Chinubhai Center, Near Nehru Bridge Corner, Ashram Road, Ahmedabad - 380009	Ahmedabad
3	Baroda	G 1, Soham, 49, Alkapuri Society, Alkapuri, Off. R.C.Dutt Road, Baroda - 390 007	Baroda

Sr. No.	Branch name	Branch Address	City
4	Chennai	Seethakathi Business Centre, Unit No.216, Second Floor, 684-690, Anna Salai , Chennai – 600006	Chennai
5	Hyderabad	9-10, Uma Chambers, 3rd Floor, Nagarjuna circle, Road No. 1, Banjara Hills, Hyderabad - 500082.	Hyderabad
6	Kolkatta	8th Floor, Kankaria Estate, 6 Little Russell Street, Kolkata - 700071	Kolkatta
7	Basappa Complex	40/1A, 4th floor, Basappa Complex, Lavelle Road Bengaluru – 560001	Bengaluru
8	Surat	International Commerce Centre, A wing, 2nd flr, 202, Near Majura Gate, Ring Road Surat - 395002	Surat
9	Borivali	1st Floor, B Wing, Suashish IT Park, Plot No. 68 E, Off. Dattapada Road, Opp. Tata Steel, Borivali (East), Mumbai - 400066	Mumbai
10	Pune	205, Business Guild, Opp Krishna Dining Hall, Law College Road, Erandawane, Pune - 411 004	Pune

### **A.b.ii. Corporate Structure:**

The corporate structure of the Company as on December 31, 2016 is as follows:





**A.b.iii. Key Operational and Financial Parameters for the last three Audited years (on standalone basis):**

The Key Operational and Financial Parameters for the last three Audited Financial year ended March 31, 2016 and unaudited financials as on September 30, 2016 (on standalone basis) are as under:

(Rs. in lakh)

Particulars	As at September 30, 2016 (un-audited financials)	As at March 31, 2016 (audited financials)	As at March 31, 2015 (audited financials)	As at March 31, 2014 (audited financials)
<b>For Financial Entities</b>				
Networth	129,710.20	120,552.10	109,805.81	97,532.09
Total Debt	<b>332,050.89</b>	<b>296,957.94</b>	<b>330,318.94</b>	<b>294,665.55</b>
- Long Term Borrowing	35,060.91	46,163.41	11,069.30	37,712.36
- Short Term Borrowing	283,453.84	235,204.84	288,720.28	223,428.70
- Current maturities of long term borrowing	13,536.15	15,589.69	30,529.36	33,524.49
Net Fixed Assets	403.36	384.38	385.97	445.69
Non Current Assets	132,826.97	126,778.08	124,713.19	137,603.69
Cash and bank balances	18,538.43	69,963.35	38,242.99	38,483.18
Current Investments	13,703.36	702.00	42.92	-
Current Assets	339,011.47	304,167.38	330,185.83	265,745.71
Current Liabilities	304,352.10	261,526.52	331,319.24	265,253.22
Assets Under Management	-	-	-	-
Off Balance Sheet Assets	-	-	-	-
Revenue from operations	33,845.02	52,783.93	65,815.90	49,000.82
Finance costs	18,287.80	27,496.37	37,333.49	27,621.71
Provisioning & write-offs	-	-	251.69	122.37
PAT	9,158.10	16,743.44	18,829.05	13,480.19
Gross NPA (%)	0.13%	0.65%	1.35%	0.38%
Net NPA (%)	0.03%	0.37%	1.10%	0.20%
Tier I Capital Adequacy Ratio (%)	25.77%	29.92%	26.55%	25.26%
Tier II Capital Adequacy Ratio (%)	0.53%	0.66%	0.70%	0.24%
Interest coverage ratio	1.77	1.90	1.74	1.73
Dividend per share (in Re)	-	1.00	1.00	0.30

Particulars	As at September 30, 2016 (un-audited financials)	As at March 31, 2016 (audited financials)	As at March 31, 2015 (audited financials)	As at March 31, 2014 (audited financials)
<b>For Financial Entities</b>				
Networth	129,710.20	120,552.10	109,805.81	97,532.09
Total Debt	<b>332,050.89</b>	<b>296,957.94</b>	<b>330,318.94</b>	<b>294,665.55</b>
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- Short Term Borrowing	283,453.84	235,204.84	288,720.28	223,428.70
- Current maturities of long term borrowing	13,536.15	15,589.69	30,529.36	33,524.49
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Current Assets	339,011.47	304,167.38	330,185.83	265,745.71
Current Liabilities	304,352.10	261,526.52	331,319.24	265,253.22
Assets Under Management	-	-	-	-
Off Balance Sheet Assets	-	-	-	-
Revenue from operations	33,845.02	52,783.93	65,815.90	49,000.82
Finance costs	18,287.80	27,496.37	37,333.49	27,621.71
Provisioning & write-offs	-	-	251.69	122.37
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Tier II Capital Adequacy Ratio (%)	0.53%	0.66%	0.70%	0.24%
Interest coverage ratio	1.77	1.90	1.74	1.73
Dividend per share (in Re)	-	1.00	1.00	0.30

### Gross Debt: Equity Ratio of the Company

Before the issue of NCDs*#	2.44
After the issue of NCDs*^#	3.18

\* As per un-audited financials as on December 31, 2016

^ Assuming issue of NCDs of Rs. 10,00,00,00,000/- (Rupees One Thousand Crore only)

# Gross debt equity ratio without netting off cash / cash equivalents

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

Not Applicable

**A.c. A brief history of the Issuer since its incorporation giving details of its following activities:**

**History and Change in the name of the Company**

The Company was originally incorporated on July 10, 1984 as a private limited company under the provisions of the Companies Act, 1956 as J. M. Lease Consultants Private Limited to carry out the business of lease syndication and vehicle leasing. A fresh certificate of incorporation consequent to the change of name of the Company to JM Financial Products Private Limited was issued to the Company on June 10, 2005 by the RoC. Further, pursuant to a resolution of shareholders dated April 18, 2010, the name of the Company was changed to JM Financial Products Limited and a fresh certificate of incorporation was issued by RoC on June 28, 2010.

The Company has obtained a certificate of registration dated March 2, 1998 bearing registration no. B - 13.00178 issued by the RBI to carry on the activities of an NBFC under section 45 IA of the RBI Act, 1934.

**A.c.i. Details of Share Capital as on December 31, 2016:**

Share Capital	Particulars
<b>Authorised Share Capital</b>	Rs. 1,200 crore comprising: - 110,00,00,000 Equity Shares of Rs. 10 each - 10,00,00,000 Preference Shares of Rs. 10 each
<b>Issued, Subscribed and Paid up Share Capital</b>	Rs. 544.50 crore comprising: - 54,45,00,000 Equity Shares of Rs. 10 each

**Notes:**

Of the above Issued, Subscribed and Paid up share capital 49,00,50,000 equity shares are held by JM Financial Limited, the holding company of the Company.

**A.c.ii: Changes in its capital structure as on last quarter end, for the last five years:**

Change in Authorised Share Capital of the Company is as under:

Date of change (AGM / EGM)	Rs.	Particulars
There is no change in the authorized share capital of the Company during last five years		

**A.c.iii. Equity Share Capital History of the Company as on last quarter end:**

The details of equity share capital raised by the Company as on December 31, 2016 is as under:

Date of Allotment	No. of equity shares	Face value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						No. of equity shares	Equity Share Capital (Rs.)	Equity Share premium (in Rs.)
July 10, 1984	20	10	10	Cash	Allotment to Subscribers	20	200	Nil
March 30, 1992	9,99,980	10	10	Cash	Rights issue	10,00,000	1,00,00,000	Nil
March 31, 2006	50,00,000	10	100	Cash	Issue on preferential basis	60,00,000	6,00,00,000	45,00,00,000
Oct. 29, 2007	1,15,00,000	10	100	Cash	Conversion of preference shares to equity shares	1,75,00,000	17,50,00,000	Nil
Oct. 29, 2007	1,60,00,000	10	125	Cash	Allotment of new equity shares	3,35,00,000	33,50,00,000	1,84,00,00,000
Nov. 7, 2007	1,60,00,000	10	125	Cash	Allotment of new equity shares	4,95,00,000	49,50,00,000	1,84,00,00,000
Dec. 14, 2007	49,50,00,000	10	0	Nil	Allotment of bonus shares	54,45,00,000	544,50,00,000	Nil

**A.c.iv. Details of any Acquisition or Amalgamation in the last one year:**

None

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

None

**A.d. Details of the shareholding of the Company as on the latest quarter end:****A.d.i. Shareholding pattern of the Company as on December 31, 2016:**

Sr. No.	Particulars	Total No. of Equity shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares
1.	JM Financial Limited	49,00,49,995	49,00,00,000	90%
2.	JM Financial Limited jointly with five nominees	5	0	0.00%
3.	JM Financial Institutional Securities Limited	2,31,11,075	2,31,11,075	4.24%
4.	JM Financial Services Limited	2,31,11,075	2,31,11,075	4.24%
5.	JM Financial Group Employees' Welfare Trust	82,27,850	82,27,850	1.52%
	<b>Total</b>	<b>54,45,00,000</b>	<b>54,44,50,000</b>	<b>100%</b>

Notes: The promoters have not pledged or encumbered any shares of the Company.

**A.d.ii. List of top 10 holders of equity shares of the Company as on the latest quarter end:**

The list of top 10 holders of equity shares of the Company as on December 31, 2016 is as under:

Sr. No.	Name of Shareholders	Total No. of Equity shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares
1.	JM Financial Limited	49,00,49,995	49,00,00,000	90%
2.	JM Financial Institutional Securities Limited	2,31,11,075	2,31,11,075	4.24%
3.	JM Financial Services Limited	2,31,11,075	2,31,11,075	4.24%
4.	JM Financial Group Employees' Welfare Trust	82,27,850	82,27,850	1.52%
5.	JM Financial Limited jointly with Mr. P K Choksi	1	0	—
6.	JM Financial Limited jointly with Mr. S R Nayak	1	0	—
7.	JM Financial Limited jointly with Mr. Manish Sheth	1	0	—
8.	JM Financial Limited jointly with Ms. Dipti Neelakantan	1	0	—
9.	JM Financial Limited jointly with Mr. Hemant Kotak	1	0	—
	<b>TOTAL</b>	<b>54,45,00,000</b>	<b>54,44,50,000</b>	<b>100%</b>

**A.e. Following details of the directors of the Company:****A.e.i. Details of the current directors of the Company as on December 31, 2016:**

Sr. No.	Name, Designation	DIN	Age	Address	Director of the Company since	Occupation
1.	Mr. Vaddarse Prabhakar Shetty, Non - Executive Chairman	00021773	67	7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	21/04/2008	Service
2.	Mr. Vishal Kampani, Managing Director	00009079	37	7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	21/04/2008	Service
3.	Mr. Madhukar R Umarji, Non - Executive Director	00307435	73	B-702, Pataliputra CHS, Four Bungalows, Andheri (West), Mumbai – 400 05	11/12/2008	Professional

Sr. No.	Name, Designation	DIN	Age	Address	Director of the Company since	Occupation
4.	Mr. Eknath A Kshirsagar, Independent Director	00121824	73	19, Tarangini, Twin Tower Road, Prabhadevi, Mumbai 400 025	10/05/2010	Professional
5.	Mr. Dharendra Singh, Independent Director	00852815	69	Flat 102, Earth Court 2, Jaypee Greens, G-Block, Surajpur, Kasna Road, Greater Noida - 201306	12/07/2010	Retired
6.	Ms. Roshini Bakshi, Independent Director	01832163	48	1103-B, Surya Apartments Bhulabhai Desai Road Mumbai 400026	21/01/2015	Service

To the best of the Company's knowledge and belief, none of the current Directors are appearing in the RBI defaulter list.

**Details of other directorship of the current directors of the Company as on December 31, 2016:**

Sr. No.	Name of the Director	Details of other directorship
1.	Mr. Vaddarse Prabhakar Shetty	JM Financial Credit Solutions Limited JM Financial Asset Reconstruction Company Private Limited JM Financial Asset Management Limited JM Financial Home Loans Limited Hotel Leelaventure Limited
2.	Mr. Vishal Kampani	JM Financial Limited JM Financial Credit Solutions Limited JM Financial Institutional Securities Limited JM Financial Services Limited JM Financial Investment Managers Limited Infinite India Investment Management Limited J. M. Financial & Investment Consultancy Services Private Limited Capital Market Publishers India Private Limited JM Financial Singapore Pte. Limited
3.	Mr. Madhukar R Umarji	Strides Shasun Limited ITZ Cash Card Limited ITZ Cash Payment Solutions Limited Uniparts India Limited Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) (a section 25 company)



Sr. No.	Name of the Director	Details of other directorship
4.	Mr. Eknath A Kshirsagar	Batliboi Limited Hawkins Cookers Limited Manappuram Finance Limited Manipal Global Education Services Private Limited JM Financial Limited
5.	Mr. Dharendra Singh	HCL Infosystems Limited HCL Infotech Limited Digilife Distribution and Marketing Services Limited
6.	Ms. Roshini Bakshi	Persistent Systems Limited

**A.e.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.	Ms. Roshini Bakshi, Independent Director	01832163	21/01/2015	Not Applicable	Appointed as the Independent Director at the AGM held on June 5, 2015 (Appointed as an Additional Director on January 21, 2015)
2.	Mr. Darius Udwadia, Independent Director	00009755	10/07/2015	14/05/2012	Resignation

**A.f. Following details regarding the auditors of the Company:**

**A.f.i. Details of the auditor of the Company:**

Name	Address	Auditor since
Deloitte Haskins & Sells LLP	Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Elphinstone Mill Compound, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013, India Tel: +91 22 6185 4000; Fax: +91 22 6185 4601 website: www.deloitte.com	10/10/2008

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

None

**A.g. Details of Borrowings of the Company, as on the latest quarter end:****A.g.i. Details of Secured Loan Facilities as on December 31, 2016:**

Type of Facility	Amount Sanctioned (Rs. in crore)	Principal Amount Outstanding (Rs. in crore)	Repayment date / Schedule	Security
Overdraft against Fixed Deposit	26.13	2.50	No fixed date of repayment	Fixed deposit
Overdraft against Fixed Deposit	22.50	-	No fixed date of repayment	Fixed deposit
Cash Credit / WCDL	200.00	77.00	No fixed date of repayment	Charge on receivable
Term Loan	200.00	200.00	**Refer repayment schedule below	Charge on receivable
CBLO	250.00	250.00	02-Jan-17	Government Securities
<b>Total</b>	<b>698.63</b>	<b>529.50</b>		

**Repayment schedule of secured loans from banks**

\*\*Notes

Repayment date	Amount (Rs. in crore)
March 30, 2018	20.00
April 30, 2018	20.00
May 31, 2018	20.00
June 30, 2018	20.00
July 31, 2018	20.00
August 31, 2018	20.00
September 30, 2018	20.00
October 31, 2018	20.00
November 30, 2018	20.00
December 31, 2018	20.00
<b>Total</b>	<b>200.00</b>

**A.g.ii. Details of Unsecured Loan Facilities as on December 31, 2016:**

Type of Facility	Amount Sanctioned (Rs. in crore)	Principal Amount Outstanding (Rs. in crore)	Type of Facility
CP	50.00	50.00	January 11, 2017
CP	50.00	50.00	January 12, 2017
CP	75.00	75.00	January 16, 2017
CP	25.00	25.00	January 23, 2017
CP	45.00	45.00	January 24, 2017
CP	65.00	65.00	January 25, 2017
CP	50.00	50.00	January 27, 2017
CP	25.00	25.00	January 30, 2017

Type of Facility	Amount Sanctioned (Rs. in crore)	Principal Amount Outstanding (Rs. in crore)	Type of Facility
CP	50.00	50.00	January 31, 2017
CP	25.00	25.00	February 10, 2017
CP	25.00	25.00	February 14, 2017
CP	100.00	100.00	February 17, 2017
CP	25.00	25.00	February 17, 2017
CP	75.00	75.00	February 20, 2017
CP	50.00	50.00	February 21, 2017
CP	100.00	100.00	February 23, 2017
CP	25.00	25.00	February 27, 2017
CP	50.00	50.00	February 27, 2017
CP	50.00	50.00	February 28, 2017
CP	50.00	50.00	March 2, 2017
CP	50.00	50.00	March 3, 2017
CP	25.00	25.00	March 6, 2017
CP	20.00	20.00	March 6, 2017
CP	25.00	25.00	March 7, 2017
CP	25.00	25.00	March 7, 2017
CP	100.00	100.00	March 10, 2017
CP	25.00	25.00	March 14, 2017
CP	70.00	70.00	April 3, 2017
CP	35.00	35.00	April 3, 2017
ICD	25.00	25.00	April 13, 2017
CP	10.00	10.00	May 15, 2017
CP	3.00	3.00	May 15, 2017
CP	100.00	100.00	May 22, 2017
CP	20.00	20.00	May 25, 2017
CP	100.00	100.00	June 20, 2017
CP	7.00	7.00	June 20, 2017
CP	25.00	25.00	June 23, 2017
CP	75.00	75.00	July 25, 2017
CP	8.35	8.35	July 26, 2017
CP	8.35	8.35	July 26, 2017
CP	100.00	100.00	August 8, 2017
CP	50.00	50.00	August 18, 2017
CP	50.00	50.00	August 22, 2017
CP	50.00	50.00	August 31, 2017
CP	50.00	50.00	September 25, 2017
CP	25.00	25.00	September 28, 2017
CP	7.00	7.00	October 5, 2017
CP	30.00	30.00	October 13, 2017
CP	15.00	15.00	November 17, 2017

Type of Facility	Amount Sanctioned (Rs. in crore)	Principal Amount Outstanding (Rs. in crore)	Type of Facility
CP	15.00	15.00	November 30, 2017
CP	10.00	10.00	November 30, 2017
CP	150.00	150.00	December 6, 2017
	<b>2,318.70</b>	<b>2,318.70</b>	

**A.g.iii. Details of NCDs as on December 31, 2016:**

Debenture series	Tenor/ period of maturity	Coupon (p.a.)	Amount (Rs. in crore)	Date of Allotment	Redemption Date/ Schedule	Secured/ Unsecured	Security
Tranche S	571 days	0%	4.90	June 12, 2015	January 3, 2017	Secured	Immoveable property & identified receivables
Tranche T	564 days	9.5495%	50.00	October 29, 2015	May 15, 2017	Secured	
Tranche U - Option I	405 days	0%	40.00	February 4, 2016	March 15, 2017	Secured	
Tranche U - Option II	504 days	0%	40.00	February 4, 2016	June 22, 2017	Secured	
Tranche V	1092 days	0%	3.00	February 5, 2016	February 1, 2019	Secured	
Tranche W	1128 days	0%	4.40	March 1, 2016	April 3, 2019	Secured	
Tranche X	1126 days	0%	3.50	March 22, 2016	April 22, 2019	Secured	
Tranche Y	1106 days	0%	5.40	April 11, 2016	April 22, 2019	Secured	
Tranche Z	1091 days	0%	7.80	April 29, 2016	April 25, 2019	Secured	
Tranche AA	1097 days	Minimum – 9.30% p.a. (annualised return calculated on XIRR basis), maximum 9.40% p.a. (annualised return calculated on XIRR basis)	5.00	June 9, 2016	June 11, 2019	Secured	
Tranche AB	548 days	0%	10.00	June 13, 2016	December 13, 2017	Secured	
Tranche AC – Option I	1062 days	0%	6.20	June 16, 2016	May 14, 2019	Secured	
Tranche AC – Option II	1076 days	0%	6.60	June 16, 2016	May 28, 2019	Secured	
Tranche AC – Option III	1097 days	0%	5.00	June 16, 2016	June 18, 2019	Secured	

Debenture series	Tenor/ period of maturity	Coupon (p.a.)	Amount (Rs. in crore)	Date of Allotment	Redemption Date/ Schedule	Secured/ Unsecured	Security
Tranche AD – Option I	1076 days	0%	2.80	July 21, 2016	July 2, 2019	Secured	Immoveable property & identified receivables
Tranche AD – Option II	1097 days	0%	6.30	July 21, 2016	July 23, 2019	Secured	
Tranche AE	456 days	Minimum – 8.70% p.a. (annualised return calculated on XIRR basis), maximum 8.80% p.a. (annualised return calculated on XIRR basis)	25.00	August 16, 2016	November 15, 2017	Secured	
Tranche AF – Option I	1064 days	0%	11.00	September 6, 2016	August 6, 2019	Secured	
Tranche AF – Option II	1085 days	0%	5.70	September 6, 2016	August 27, 2019	Secured	
Tranche AG	456 days	Minimum – 8.70% p.a. (annualised return calculated on XIRR basis), maximum 8.80% p.a. (annualised return calculated on XIRR basis)	30.00	September 22, 2016	December 22, 2017	Secured	
Tranche AH	426 days	Minimum – 8.75% p.a. (annualised return calculated on XIRR basis), maximum 8.80% p.a. (annualised return calculated on XIRR basis)	12.50	September 30, 2016	November 30, 2017	Secured	
Tranche AI	458 days	Minimum – 8.35% p.a. (annualised return	25	October 21, 2016	January 22, 2018	Secured	

Debenture series	Tenor/ period of maturity	Coupon (p.a.)	Amount (Rs. in crore)	Date of Allotment	Redemption Date/ Schedule	Secured/ Unsecured	Security
		calculated on XIRR basis), maximum 8.40% p.a. (annualised return calculated on XIRR basis)					
Tranche AJ	555 days	8.8145%	100.00	November 23, 2016	June 1, 2018	Secured	
Tranche AK – Option I	446 days	0%	50.00	December 28, 2016	March 19, 2018	Secured	
Tranche AK – Option II	537 days	0%	50.00	December 28, 2016	June 18, 2018	Secured	

**A.g.iv. List of top 10 Debenture Holders as on December 31, 2016:**

Sr. No.	Name of Debenture Holders	Amount (Rs. in crore)
1.	IDFC Money Manager Fund - Treasury Plan	100.00
2.	DSP Blackrock Money Manager Fund	50.00
3.	Reliance Capital Trustee Co Ltd A/C Reliance Medium Term Fund	50.00
4.	Reliance Capital Trustee Co Ltd A/C Reliance Medium Term Fund	50.00
5.	Axis Treasury Advantage Fund	25.00
6.	Vardhman Acrylics Limited	25.00
7.	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Equity Saver Fund	15.00
8.	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Income Saver	15.00
9.	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Fixed Income Opportunities Fund	15.00
10.	Harsh Jain	12.50



**A.g.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:**

Nil

**A.g.vi. Details of Commercial Paper as on December 31, 2016:**

The total Face Value of Commercial Papers Outstanding as on December 31, 2016 and its breakup are as follows:

(Rs. in crore)

<b>Maturity Date</b>	<b>Amount Outstanding (Face Value) (Rs. In Crs)</b>
January 11, 2017	50.00
January 12, 2017	50.00
January 16, 2017	75.00
January 23, 2017	25.00
January 24, 2017	45.00
January 25, 2017	65.00
January 27, 2017	50.00
January 30, 2017	25.00
January 31, 2017	50.00
February 10, 2017	25.00
February 14, 2017	25.00
February 17, 2017	125.00
February 20, 2017	75.00
February 21, 2017	50.00
February 23, 2017	100.00
February 27, 2017	75.00
February 28, 2017	50.00
March 2, 2017	50.00
March 3, 2017	50.00
March 6, 2017	45.00
March 7, 2017	50.00
March 10, 2017	100.00
March 14, 2017	25.00
April 3, 2017	105.00
May 15, 2017	13.00
May 22, 2017	100.00
May 25, 2017	20.00
June 20, 2017	107.00
June 23, 2017	25.00
July 25, 2017	75.00
July 26, 2017	16.70

<b>Maturity Date</b>	<b>Amount Outstanding (Face Value) (Rs. In Crs)</b>
August 8, 2017	100.00
August 18, 2017	50.00
August 22, 2017	50.00
August 31, 2017	50.00
September 25, 2017	50.00
September 28, 2017	25.00
October 5, 2017	7.00
October 13, 2017	30.00
November 17, 2017	15.00
November 30, 2017	25.00
December 6, 2017	150.00
<b>Total</b>	<b>2,293.70</b>

**A.g.vii. Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference shares) as on December 31, 2016:**

None

**A.g.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

**A.g.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 as on December 31, 2016:**

Nil

**A.h. Details of Promoters of the Company:**

JM Financial Products Limited is promoted by JM Financial Limited which is the flagship listed company of the JM Financial Group.

**A.h.i. Details of Promoter holding in the Company as on December 31, 2016:**

<b>Sr. No.</b>	<b>Name of the shareholders</b>	<b>Total no. of Equity shares</b>	<b>No. of shares in demat form</b>	<b>Total shareholding as % of total no. of equity shares</b>	<b>No. of Shares Pledged</b>	<b>% of Shares pledged with respect to shares owned</b>
1.	JM Financial Limited with its nominees	49,00,50,000	49,00,00,000	90%	0	0%

**A.i. & j. Abridged version of audited standalone financial information for the last three years ended March 31, 2016 and unaudited standalone financial information for the half year ended September 30, 2016:**

(Rs in lakh)

Sr. No.	Particulars	As per un-audited financials As at September 30, 2016	As per audited financials As at March 31, 2016	As per audited financials As at March 31, 2015	As per audited financials As at March 31, 2014
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Shareholder's Funds</b>				
	Share Capital	54,450.00	54,450.00	54,450.00	54,450.00
	Reserves and Surplus	75,260.20	66,102.10	55,355.81	43,082.09
		<b>129,710.20</b>	<b>120,552.10</b>	<b>109,805.81</b>	<b>97,532.09</b>
<b>2</b>	<b>Non-Current Liabilities</b>				
	Long-term borrowings	35,060.91	46,163.41	11,069.30	37,712.36
	Long term provisions	2,715.23	2,703.43	2,704.67	2,851.72
		<b>37,776.14</b>	<b>48,866.84</b>	<b>13,773.96</b>	<b>40,564.08</b>
<b>3</b>	<b>Current Liabilities</b>				
	Short-term borrowings	283,453.84	235,204.84	288,720.28	223,428.70
	Trade payables	2,415.00	466.04	183.36	399.34
	Other current liabilities	16,658.33	18,456.37	34,494.85	38,306.47
	Short-term provisions	1,824.93	7,399.26	7,920.75	3,118.71
		<b>304,352.10</b>	<b>261,526.52</b>	<b>331,319.24</b>	<b>265,253.22</b>
	<b>TOTAL</b>	<b>471,838.44</b>	<b>430,945.46</b>	<b>454,899.02</b>	<b>403,349.39</b>
<b>B</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
	Fixed assets				
	Tangible assets	313.40	274.98	253.48	313.26
	Intangible assets	89.95	109.40	132.49	132.42
	Non-current investments	14,826.36	9,808.39	19,308.39	12,944.20
	Deferred tax assets (net)	1,239.33	1,382.91	1,471.79	1,413.16
	Long-term loans and advances	116,357.92	115,202.40	103,547.03	122,800.64
		<b>132,826.97</b>	<b>126,778.08</b>	<b>124,713.19</b>	<b>137,603.69</b>
<b>2</b>	<b>Current assets</b>				
	Current investments	13,703.36	702.00	42.92	-
	Stock-in-trade	18,792.78	25,689.42	35,900.76	53,420.80
	Cash and bank balances	18,538.43	69,963.35	38,242.99	38,483.18
	Short-term loans and advances	287,707.80	203,920.84	255,611.15	173,037.63
	Other current assets	269.11	3,891.78	388.01	804.09
		<b>339,011.47</b>	<b>304,167.38</b>	<b>330,185.83</b>	<b>265,745.71</b>
	<b>TOTAL</b>	<b>471,838.44</b>	<b>430,945.46</b>	<b>454,899.02</b>	<b>403,349.39</b>

Notes:

- Figures in respect of the previous year(s) have been rearranged wherever necessary to correspond with the figures of the current year.

(Rs in lakh)

Sr. No.	Particulars	As per unaudited financials Period ended September 30, 2016	As per audited financials Year ended March 31, 2016	As per audited financials Year ended March 31, 2015	As per audited financials Year ended March 31, 2014
	<b>INCOME</b>				
	<b>Revenue from Operations</b>				
1	Income from funding activities	30,632.37	46,390.34	54,028.68	39,487.38
2	Income from debt instruments trading (net)	1,863.84	3,167.43	8,451.28	7,484.42
3	Interest on debentures	253.68	-	162.85	-
4	Advisory and other fees	1,095.14	3,226.16	3,173.09	2,029.02
5	Income from securitisation	-	-	-	-
	<b>Total</b>	<b>33,845.02</b>	<b>52,783.93</b>	<b>65,815.90</b>	<b>49,000.82</b>
	<b>Other Income</b>				
1	Interest on Fixed Deposits with Banks and Others	223.48	721.73	2,600.46	3,234.35
2	Dividend	3.60	2,103.25	152.39	114.58
3	Profit on sale of investments	950.54	278.35	1,645.96	568.67
4	Provision for bonus written back	-	23.00	12.38	-
5	Provision for doubtful loans written back	455.60	30.04	19.27	-
6	Other Income	1.43	7.97	1.75	0.93
	<b>Total</b>	<b>1,634.65</b>	<b>3,164.34</b>	<b>4,432.22</b>	<b>3,918.53</b>
	<b>Gross Total Income</b>	<b>35,479.67</b>	<b>55,948.27</b>	<b>70,248.12</b>	<b>52,919.35</b>
	<b>EXPENDITURE</b>				
1	Employee benefit expenses	1,517.34	1,563.59	2,732.98	3,031.87
2	Finance cost	18,287.80	27,496.37	37,333.49	27,621.71
3	Depreciation/ amortisation	97.82	154.56	139.46	126.50
4	Operating and other expenses	1,505.04	2,045.16	2,320.82	1,929.51
	<b>Total</b>	<b>21,408.00</b>	<b>31,259.69</b>	<b>42,526.75</b>	<b>32,709.59</b>
	<b>Profit before provision for standard assets and tax</b>	<b>14,071.67</b>	<b>24,688.59</b>	<b>27,721.37</b>	<b>20,209.76</b>
	<b>Provision for Standard Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Profit before Tax</b>	<b>14,071.67</b>	<b>24,688.59</b>	<b>27,721.37</b>	<b>20,209.76</b>
	<b>Tax Expense</b>				
1	Current Tax	4,770.00	7,830.00	8,950.00	6,880.00
2	Deferred Tax	143.57	88.88	(57.68)	(254.47)
3	Short provision for tax in respect of earlier years		26.26	-	104.04
		<b>4,913.57</b>	<b>7,945.15</b>	<b>8,892.32</b>	<b>6,729.57</b>
	<b>Profit after Tax</b>	<b>9,158.10</b>	<b>16,743.44</b>	<b>18,829.05</b>	<b>13,480.19</b>

Notes: Figures in respect of the previous year(s) have been rearranged wherever necessary to correspond with the figures of the current year.

**Statement of Cash Flow for the last three years ended March 31, 2016:**

(Rs in lakh)

	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>A</b>	Net Profit before tax	24,688.59	27,721.36	20,209.77
	<b>Adjustment for :</b>			
	Depreciation/ Amortisation	154.56	139.46	126.50
	Profit / (Loss) on fixed assets sold / discarded (net)	(2.54)	1.29	-
	Loss on diminution in value of non-current investments (non trade) (net)	-	-	-
	Loan funds written off	-	19.27	-
	Provision for doubtful loans	-	232.41	122.37
	Interest expenses - Others	47.41	19.07	27.80
	Provision for doubtful loans written back	(30.04)	(19.27)	-
	Interest Income on fixed deposits with Banks and others	(721.73)	(2,600.46)	(3,234.35)
	Provision for bonus - written back	(23.00)	(12.38)	-
	Dividend on current investments	(2,097.25)	(152.39)	(114.58)
	Dividend on non current investments	(6.00)	(0.00)	(0.00)
	Profit on sale of long term investments	-	(1,326.80)	(320.64)
	Profit on sale of current investments	(278.35)	(319.16)	(248.04)
	<b>Operating Profit before Working Capital Changes</b>	<b>21,731.64</b>	<b>23,702.40</b>	<b>16,568.84</b>
	Changes in working capital			
	<b>Adjustment for (increase)/ decrease in operating assets:</b>			
	Loans and advances and other current assets	36,374.20	(63,157.75)	14,331.16
	Stock-in-trade	10,211.34	17,520.04	6,355.46
	Operating fixed deposits with banks	4,000.00	-	-
	Accrued interest income related to operating activities	320.33	331.98	(430.04)
	<b>Adjustment for increase/ (decrease) in operating liabilities:</b>			
	Trade payables, other liabilities and provisions	159.39	(478.13)	464.00
	Accrued interest expenses related to operating activities	(966.65)	(548.52)	(243.02)
	<b>Cash generated from/ (used in) operations</b>	<b>71,830.25</b>	<b>(22,629.98)</b>	<b>37,046.40</b>
	Direct taxes paid (net)	(7,892.67)	(9,325.39)	(7,240.95)
	<b>Net Cash flow (used in)/ from Operating Activities (A)</b>	<b>63,937.58</b>	<b>(31,955.36)</b>	<b>29,805.45</b>
<b>B</b>	<b>Cash flow from Investing Activities</b>			
	Purchase of fixed assets	(267.77)	(91.85)	(254.49)
	Sale of fixed assets	43.37	8.01	-
	Purchase of long term investments	-	(9,808.39)	-
	Sale of long term investments	-	4,771.00	1,861.05
	Sale of investment in a subsidiary	9,500.00	-	-
	(Purchase)/ sale of current investments (net)	(380.73)	276.24	248.04
	Decrease in other bank balances	27,700.00	(1,100.00)	28,700.00
	Interest received	746.54	2,684.55	3,667.64
	Dividend received	2,103.25	152.39	114.58
	<b>Net Cash flow (used in)/ from Investing Activities (B)</b>	<b>39,444.67</b>	<b>(3,108.04)</b>	<b>34,336.82</b>

	<b>Particulars</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>	<b>Year Ended March 31, 2014</b>
<b>C</b>	<b>Cash flow from Financing Activities</b>			
	(Repayment)/ Proceeds from long term borrowings (net)	20,154.44	(29,638.20)	1,655.10
	Proceeds/ (Repayments) from short term borrowings (net)	(53,515.44)	65,291.59	(67,589.36)
	Interest paid	(47.41)	(19.07)	(27.80)
	Dividend paid (Including Corporate Dividend Tax)	(6,553.47)	(1,911.11)	(6,370.38)
	<b>Net Cash flow from/(used in) from Financing Activities (C)</b>	<b>(39,961.89)</b>	<b>33,723.21</b>	<b>(72,332.44)</b>
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	63,420.36	(1,340.19)	(8,190.17)
	Cash and cash equivalents at the beginning of the year	542.99	1,883.18	10,073.35
	Cash and cash equivalents at the end of the year	<b>63,963.35</b>	<b>542.99</b>	<b>1,883.18</b>
	<b>Reconciliation of cash and cash equivalents:</b>			
	As per Balance Sheet	69,963.35	38,242.99	38,483.18
	Less: Other bank balances	6,000.00	37,700.00	36,600.00
	<b>As per Cash-flow statement</b>	<b>63,963.35</b>	<b>542.99</b>	<b>1,883.18</b>

**A.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 except as stated below.

**A.I. Name of the Debenture Trustee:**

The Company has appointed IDBI Trusteeship Services Limited as the Debenture Trustee for the Issue. The address and contact details of the Debenture Trustee are as under:

**IDBI Trusteeship Services Limited**

Asian Building, Ground Floor,  
17, R Kamani Marg,  
Ballard Estate, Mumbai – 400 001  
Tel: +91 22 4080 7000  
Fax: + 91 22 6631 1776  
Email: swapnali@idbitrustee.com  
Website: www.idbitrustee.com

IDBI Trusteeship Services Limited has given its consent to the Company under regulation 4 (4) of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time 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 Holder(s) shall without any further act or deed be deemed to have irrevocably given their authority and consent to IDBI Trusteeship Services Ltd. 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 and this DD, with due care, diligence and loyalty. Resignation/retirement of the Debenture Trustee shall be as per terms of the 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.



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

ICRA Limited has assigned “[ICRA] AA/Stable” (pronounced “ICRA double A rating with stable outlook”) rating to the captioned Issue and PP-MLD [ICRA]AA/Stable (pronounced “P P M L D ICRA double A”) rating to the captioned MLD Issue. CRISIL Ratings has assigned “CRISIL AA/Stable” (pronounced “CRISIL double A rating with stable outlook”) rating to the captioned Issue. As per ICRA’s and CRISIL’s rating letter, instruments with this rating are considered to have high degree of safety regarding timely servicing 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 and CRISIL rating letter and the respective rating rationale are enclosed in Annexure A.

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

None

**A.o. Copy of Consent Letter from the Trustee:**

A copy of the consent letter of IDBI Trusteeship Services Limited dated March 7, 2017 is enclosed in Annexure B.

**A.p. Names of all the recognised stock exchanges 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 the 15 days from the applicable deemed date of allotment(s).

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

**A.q. Other Details:****A.q.i. Debenture Redemption Reserve:**

As per the provisions of sub-rule 7 of Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, NBFCs are exempt from the requirement of creation of debenture redemption reserve in respect of privately placed debentures. Pursuant to this rule, the Company does not intend to create any such reserve funds for the redemption of the Debentures.

**A.g.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 Act, regulations/guidelines/directions of RBI, SEBI and Stock Exchanges and other applicable laws and regulations from time to time.

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

**A.g.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 in block letters in English by the investors. Application Form must be accompanied by either a demand draft or pay order or cheque drawn or made payable in favour of "JM Financial Products Limited" only and should be crossed "Account Payee only". Demand Draft(s) / pay Order(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 / ECS / Direct Credit, 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/pay orders 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 Act. The 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, are:

- 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
- 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. Form 15AA granting exemption from TDS on interest
- g. Form 15H for claiming exemption from TDS on interest on application money, if any
- h. Order u/s 197 of IT Act
- i. Order u/s 10 of IT Act
- j. Specimen signatures of authorised persons
- k. Certified true copy of PAN card
- l. Registered / communication address
- m. FATCA Declaration

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.

## **Fictitious Applications**

Fictitious Applications will be rejected. Attention of applicants is specially drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447 of the Companies Act, 2013.”

## **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 Deemed Date of Allotment. Investors will have to hold the NCDs in dematerialised form as per the provisions of Depositories Act. 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**

### **B.a. A summary term sheet shall be provided which shall include brief information pertaining to the Secured / Unsecured Non convertible debt securities (or a series thereof):**

#### **The Issue**

The Company proposes to issue upto 10,000 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of the face value of Rs. 10,00,000 (Rupees Ten Lakh only) each for cash aggregating upto **Rs. 10,00,00,00,000/-** (Rupees One Thousand Crore Only) on a private placement basis in one or more Tranches.

Pursuant to a resolution dated February 10, 2017 passed by the Company's shareholders 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 Rs. 10,000 crore. The present issue of NCDs in terms of this IM is within the overall powers of the Board as per the above resolution.

This present private placement of NCDs is being made pursuant to the resolution of the Board of Directors passed at its meeting held on January 13, 2017 which has approved the issue of Non-Convertible Debentures of upto Rs. 2,000 crore.

The following is a summary of the terms of the Issue to the extent that they are applicable to each Tranche. Since the terms for each Tranche may be different, the specific terms of each Tranche of NCDs to be issued under the Issue shall be specified in the Supplemental DD to be issued in respect of that Tranche, which Supplemental DD will also be filed with BSE.

### SUMMARY TERM SHEET

***Private Placement of upto 10,000 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (“Debentures” or “NCDs”) of the face value of Rs. 10,00,000/- (Rupees Ten Lakh) each for cash aggregating upto Rs. 10,00,00,00,000/- (Rupees One Thousand Crore) to be issued in one or more Tranches***

Security Name	As per the relevant Supplemental DD
Issuer	JM Financial Products Limited
Arranger	As per the relevant Supplemental DD
Type of Instrument	Secured, Rated, Listed, Redeemable Non-Convertible Debentures
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	Please refer paragraph “Who can apply” of this Shelf 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 this DD vide its letter dated March 8, 2017.</p> <p>The Company shall forward the listing application to the BSE Limited alongwith the applicable disclosures within 15 days from the relevant deemed date of allotment of NCDs.</p> <p>In case of delay in listing of the NCDs beyond 30 days from the deemed date of allotment, the Company will pay penal interest, of 1 % p.a. over the interest/coupon rate/implicit yield from the expiry of 30 days from the deemed date of allotment till the listing of such NCDs, to the investor.</p>
Rating of the Instrument	<ul style="list-style-type: none"> <li>• ICRA has assigned a rating of “[ICRA] AA/Stable” to the long term Non-convertible Debenture issue programme of upto Rs. 700,00,00,000/- (Rupees Seven Hundred Crore only) and additionally Rs. 10,00,00,00,000/- (Rupees One Thousand Crore only) of the Company. Instruments with this rating are considered to have the high degree of safety regarding timely payment of financial obligations. Such instruments carry very low credit risk.</li> <li>• CRISIL has assigned a rating of “CRISIL AA/Stable” to the long term Non-convertible Debenture issue programme of upto Rs. 700,00,00,000/- (Rupees Seven Hundred Crore only) and additionally Rs. 10,00,00,00,000/- (Rupees One Thousand Crore only) of the Company. Instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.</li> <li>• ICRA Limited has assigned a rating of “PP-MLD[ICRA]AA/Stable” to the long term Non-convertible Debenture issue programme of upto Rs. 225,00,00,000/- (Rupees Two Hundred and Twenty Five Crore only) and additionally Rs. 200,00,00,000/- (Rupees Two Hundred Crore only) of the Company. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.</li> </ul>

Issue Size	Upto Rs. 1000 crore in one or more tranches
Option to retain oversubscription (Amount)	As per the relevant Supplemental DD
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 by the Company, inter-alia, for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the working capital requirements of the Company, acquisition of securities and for the general corporate purposes of the Company.
Interest/Coupon Rate	As per the relevant Supplemental DD Also refer Note 1 herein below
Implicit yield	As per the relevant Supplemental DD Also refer Note 2 herein below
Step Up/Step Down Coupon Rate	As per the relevant Supplemental DD
Coupon Payment Frequency	As per the relevant Supplemental DD Also refer Note 1 herein below
Coupon payment dates	As per the relevant Supplemental DD Also refer Note 1 herein below
Coupon Type	As per the relevant Supplemental DD Also refer Note 1 herein below
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	As per the relevant Supplemental DD
Day Count Basis	Actual/ Actual Also refer Note 1 herein below
Interest on Application Money	As per the relevant Supplemental DD Also refer Note 4 herein below
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over the applicable interest / coupon rate / implicit yield will be payable by the Company for the defaulting period.
Tenor	As per the relevant Supplemental DD
Redemption Date	As per the relevant Supplemental DD Also refer Notes 5, 6 & 7 herein below
Redemption Amount	As per the relevant Supplemental DD
Redemption Premium / Discount	As per the relevant Supplemental DD
Issue Price	As per the relevant Supplemental DD



Discount at which security is issued and the effective yield as a result of such discount.	As per the relevant Supplemental DD
Put Option Date	As per the relevant Supplemental DD
Put Option Price	As per the relevant Supplemental DD
Call Option Date	As per the relevant Supplemental DD
Call Option Price	As per the relevant Supplemental DD
Put Notification Time	As per the relevant Supplemental DD
Call Notification Time	As per the relevant Supplemental DD
Face Value	Rs. 10,00,000/- (Rs. Ten Lakh only) per Debenture
Minimum Application and in multiples of Debt securities thereafter	Minimum 10 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	As per the relevant Supplemental DD  Also refer Notes 8 & 9 herein below
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT / RTGS / other permitted mechanisms  Also refer Note 10 herein below
Depository(ies)	NSDL / 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 and as per SEBI Circular no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.  Also refer Disclosure Document.
Record Date	15 days prior to each Coupon Payment / Put Option Date / Call Option Date / 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 through a first pari passu charge / mortgage / hypothecation over portions of the Moveable Property or such other property as may be identified by the Company as set out in the relevant debenture trust deed / security documents. The Company shall endeavor for security to be created prior to allotment of the NCDs being issued and allotted under each Tranche. The Company may provide or cause to be provided (without being obliged to) such further security (including over immovable property) for securing its obligations in respect of the Debentures or any Tranche(s) thereof as may be decided by the Company without requiring the consent of the Debenture Trustee and/or the Debenture Holders.  Also refer Notes 12 & 13 herein below

Transaction Documents	Disclosure Document, Supplemental Disclosure Document, Debenture Trust Deed, Debenture Trustee Agreement, Deed of Hypothecation (if required/applicable) and any other document that may be designated by the Debenture Trustee as a Transaction Document
Conditions Precedent to Disbursement	None
Condition Subsequent to Disbursement	None
Events of Default	Please refer Note 14 herein below. As further provided, if any, in the relevant Supplemental DD
Provisions related to Cross Default Clause	As per the relevant Supplemental DD
Role and Responsibilities of Debenture Trustee	As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulation, 2008, Companies Act, 2013 and the rules made thereunder and listing agreement(s) as amended from time to time.
Governing Law and Jurisdiction	Please refer Note 15 herein below

The cash flows concerning the interest payment and redemption of NCDs will be given in each Supplemental DD on lines similar as in the illustrative format\* below for each tranche of NCDs issued under this DD, as applicable.

Cash Flows	Date	No. of days in Coupon Period	Amount (in Rupees) (per NCD)
<b>1st Coupon</b>	N.A.	N.A.	N.A.
<b>2nd Coupon</b>	N.A.	N.A.	N.A.
<b>3rd Coupon</b>	N.A.	N.A.	N.A.
<b>Principal</b>	N.A.	N.A.	N.A.
<b>Total</b>			N.A.

\* The Company may appropriately modify the above format depending upon the terms and conditions of the NCDs being issued.

#### Note 1. Interest on coupon bearing NCDs:

##### a. Interest rate

The Interest Rate may be fixed or floating. The details as to interest for each Tranche shall be specified in the Supplemental DD issued in respect of such Tranche.

Any interest payable on the Debentures may be subject to deduction at source at the rates prevailing from time to time under the provisions of the Income tax Act, 1961, or any other statutory modification or re-enactment thereof, for which a certificate will be issued by the Company. Please refer to the note 15 on Tax Deduction at Source (TDS) for further details.

b. Computation of Interest

Interest for each of the interest periods shall be computed on an actual / 365 days a year basis on the principal outstanding on the relevant Tranche of NCDs at the applicable Interest Rate. However, where the interest period (start to end date) includes 29<sup>th</sup> February, interest shall be computed on 366 days a year basis, on the principal outstanding on the relevant Tranche of NCDs at the applicable Interest Rate.

c. Payment of Interest

Payment of interest on the NCDs will be made to those of the Debenture Holder(s) whose name(s) appear in the register of Debenture Holder(s) (or to the first holder in case of joint holders) as on the Record Date fixed by the Company for this purpose and/or as per the list provided by the Depository to the Company of the beneficiaries who hold NCDs in dematerialized form on such Record Date, and are eligible to receive interest. The first interest payment due in respect of any Tranche shall be for the period calculated from the Deemed Date of Allotment till the end of the month/quarter/half year/full year /other frequency as per the respective Supplemental DD and the last interest payment due in respect of any Tranche shall be for the period calculated from the preceding Interest Payment Date till the Redemption Date and shall be paid along with the redemption payments towards principal. Other interest payments will be paid at the end of the month/quarter/half year/full year /other frequency as per the respective Supplemental DD. The interest periods applicable in respect of each Tranche shall be specified in the Supplemental DD issued in respect of such Tranche.

**Note 2. Zero coupon NCDs:**

Zero coupon NCDs shall carry an implicit yield at the rate mentioned in the respective Supplemental DD based on which discount at which the NCDs are to be issued or the redemption premium payable by the Company at maturity shall be calculated. The yield may be subject to deduction at source at the rates prevailing from time to time under the provisions of the Income tax Act, 1961, or any other statutory modification or re-enactment thereof, for which a certificate will be issued by the Company. Please refer to the paragraph on Tax Deduction at Source (TDS) for further details.

**Note 3. Market Linked Debentures (MLD):**

The Company may also issue market linked debentures on such terms and conditions as may be specified in the respective Supplemental Disclosure Document.

**Note 4. Interest on Application Money:**

Interest on application money will be paid to investors at the Interest Rate / implicit yield from the date of realization of subscription money up to one day prior to the Deemed Date of Allotment. Such interest shall be payable within 7 (seven) Business Days from the Deemed Date of Allotment. This clause will not be applicable where the Deemed Date of Allotment is the same as the Issue Closing Date and Pay-in-Date. Please also refer to the paragraph on Tax Deduction at Source (TDS) for further details.

**Note 5. Redemption:**

Unless previously redeemed or purchased and cancelled as specified below, the NCDs of each Tranche shall be redeemed at such price, at the expiry of the tenor and/or at the exercise of put/call option, if any, as mentioned in the respective Supplemental DD.

**Note 6. Payment on Redemption:**

The Company shall compute the redemption proceeds to be paid to the Debenture Holder(s) of each Tranche based on the respective Supplemental DDs. The Company's liability to the Debenture Holders of any Tranche in respect of all their rights including for payment or otherwise shall cease and stand extinguished after maturity of that Tranche, 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 of any Tranche, the liability of the Company in respect of such Tranche 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 of any Tranche shall be taken as discharged on payment of the redemption amount by the Company to the Debenture Holders of such Tranche as per the beneficiary list. Such payment will be a legal discharge of the liability of the Company towards the Debenture Holders of such Tranche. On such payment being made, the Company will inform the Depositories and accordingly the account of the Debenture Holders of such Tranche with Depositories will be adjusted.

**Note 8. Issue Schedule:**

The schedule for each Tranche of Debentures issued under this Issue shall be specified in the Supplemental DD issued in respect of such Tranche.

The Company shall have the sole discretion to issue such number of Debentures on such terms as it may deem fit.

**Note 9. Deemed Date of Allotment:**

The Deemed Date of Allotment for each Tranche will be mentioned in the respective Supplemental DD issued in respect of such Tranche. 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 10. Payment of outstanding amounts on the NCDs:**

In terms of the Debt Listing Agreement, the Company shall ensure that services of ECS (Electronic Clearing Service), 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 interest accrued thereon.

**Note 11. Effect of Holidays:**

If the date of payment of interest does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest with interest for such additional period. Such additional interest will be deducted from the interest payable on the next date of payment of interest.

In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. All Debenture Payments to be made on a date falling on a day which is not a Business Day shall be made on the Business Day falling immediately prior to such date.

**Note 12. Security:**

The NCDs being issued under this Disclosure Document shall be secured through a first ranking mortgage on pari passu basis on the Immovable Property (“IMMOVEABLE PROPERTY”) and first pari passu charge / mortgage / hypothecation over portions of the standard receivables of the Company as may be identified by the Company and as set out in the relevant debenture trust deed / security documents (“MOVEABLE PROPERTY”) to be executed by the Company, with a minimum asset cover of one time to be maintained on throughout the tenure of the NCDs.

The Company shall be entitled to replace / substitute any of the Moveable Property provided as Security in terms of the relevant debenture trust deed / security documents with other Moveable Property. 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 (“**Replacement Security Letter**”). The Company shall not be entitled to replace the immovable property, if any, comprising part of the Security. The Debenture Holders upon

subscription to the Debentures shall be deemed to have authorized the Debenture Trustee to execute such documents 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 of a particular Tranche as stipulated in the Supplemental DD for that Tranche shall be maintained post such replacement.

Further, in the event that the Moveable Property provided as Security by the Company is of a value greater than the Security Cover stipulated in the Supplemental DD for that Tranche, the Company shall be entitled to require the Debenture Trustee to release the excess Moveable Property 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 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 of a particular Tranche as stipulated in the Supplemental DD for that Tranche shall be maintained post such release.

The Company may provide or cause to be provided (without being obliged to) such further security (including over immovable property) for securing its obligations in respect of the Debentures or any Tranche(s) thereof as may be decided by the Company after obtaining the consent of the Debenture Trustee and/or the Debenture Holders (“**Further Security Option**”).

If the Company in exercise of the Further Security Option has provided or caused to be provided security over immovable property, the Company (or an affiliate which has created the mortgage over the immovable property) shall be entitled to offer the immovable property which is part of the Security in terms of the Debenture Trust Deed as security for any other borrowing of the Company or any of its affiliates (including borrowings raised by issue of debentures) on a pari passu / subservient charge basis, as the Company (or an affiliate which has created the mortgage over the immovable property) may deem fit with the prior written consent from the Debenture Trustee and after following the procedure as stated in the Debenture Trust Deed. The Debenture Holders upon subscription to the Debentures shall be deemed to have consented to the creation of such additional security over the immovable property, 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 in respect of Debentures and the Auditor of the Company/ independent chartered accountant confirms to the Debenture Trustee in writing that the Security Cover for the NCDs including further borrowings shall be maintained post such borrowings.

In case the actual Security Cover for any Tranche of Debentures falls below that stipulated in the Supplemental DD for that Tranche, the Company shall restore the Security Cover to the stipulated level within a period of 45 (Forty Five) Calendar Days from the date of such shortfall.

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 or any part thereof (other than that comprising the Security) and/or such other assets and properties as may be decided by the Company from time to time with the prior written consent from the Debenture Trustee and after following the procedure as stated in the Debenture Trust Deed.



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 including inter-alia the right to securitise and/or to assign, lien mark the Moveable Property comprising part of the Security and/or to create a further first and pari passu (subject to maintaining the required Security Cover) vis-à-vis the entire financial indebtedness secured by such Moveable Property or a subservient charge on the Security after obtaining consent from the Debenture Trustee.

### **Ownership**

The Company is the sole owner of all assets shown on the Company's financial statements save and except as stated in the said financial statements.

### **Financial Statements**

The Company presently maintains accurate business and financial records and prepares its financial statements in accordance with Indian GAAP which gives a true and fair view and represent its financial condition and operations.

### **Company's Business**

The Company has the power to own its assets and carry on its business as it is being conducted.

### **Immunity**

The Company is not entitled to any immunity or privilege (sovereign or otherwise) from any set-off, judgment, execution, attachment or other legal process.

### **Standard Movable Property**

The receivables of loans and advances, investments and stock-in-trade, which constitute a part of the Movable Property and which are offered as Security, are not : i) overdue as on the date of this Deed; and ii) unsecured.

### **No Event of Default**

No other event or circumstance is outstanding which may constitute an Event of Default under the Transaction Documents.

### **Rating**

The Company confirms that as of the date hereof, the rating of Debentures is ICRA AA/Stable, PP-MLD [ICRA]AA/Stable and CRISIL AA/Stable by the Rating Agencies.

### **Listing**

The Debentures are proposed to be listed on BSE and the Company has received in-principle approval for listing of the Debentures on BSE.

### **Note 13. Time Limit for creation of Security:**

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



**Note 14. Events 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 Movable Property not being sufficient to maintain the Security Cover, and the Company having failed to create security if the Security Cover falls below 1 time, within a maximum period of 45 (Forty Five) 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 Rs. Ten crore and the same not being cured as per terms therein or are not waived by those lenders / investors;
- d) 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;
- e) Material non-compliance with any covenant, condition or agreement on the part of the Company under any Transaction Documents and the same is not made good within a period of 15 Business Days;
- f) 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;
- g) 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;
- h) 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;
- i) Failure to file necessary forms with the Registrar of Companies in form and substance required to perfect the Security within 30 (Thirty) Days from the date of execution of the Debenture Trust Deed;
- j) The Company having voluntarily or involuntarily become the subject of proceedings under any insolvency laws;
- k) The proceedings for the voluntary or involuntary dissolution of the Company having been commenced;

- l) 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;
- m) The Company having taken or suffered any action to be taken for its liquidation or dissolution;
- n) A receiver or a liquidator being appointed or allowed to be appointed for all or any part of the undertaking of the Company;
- o) The Company having admitted in writing of its inability to pay its debts as they mature;
- p) The Company being adjudged insolvent or having taken advantage of any law for the relief of insolvent debtors;
- q) An attachment being levied on the Mortgage Properties or any part thereof and/ or certificate proceedings being taken or commenced for recovery of any dues from the Company;
- r) The Company ceasing to carry on its business or giving notice of its intention to do so;
- s) 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;
- t) The Company, without the previous consent in writing of the Debenture Trustee, making any alteration in the Memorandum of Association or 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;
- u) 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;
- v) 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;
- w) 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 Business Days.
- x) The Company attempting 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;

- y) 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;
- z) The passing of any order by a court of competent jurisdiction ordering, restraining or otherwise preventing the Company from conducting all or any material part of its business;
- aa) 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 and the Company does not cure the defect within 15 Business Days.
- bb) 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;
- cc) The Security being in jeopardy in the opinion of the Debenture Trustee or creation of any encumbrance over the Encumbered Assets other than any Permitted Security Interest or any failure of the Company to create, perfect and maintain the Encumbrance over the Encumbered Assets as a result of failure of the Company to undertake a mandatory process for perfection of Encumbrance;
- dd) The Company or Promoters/Directors/Key Managerial Personnel of the Company being declared wilful defaulter in RBI List of wilful defaulter, as per the parameters determined by RBI from time to time.

the same 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 13(a) above.

On the question whether any of the acts, matters, events or circumstances mentioned in Clause 13 have occurred, the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall be final and conclusive and be binding on the Company.

#### **14.1 Consequence of Event of Default**

- a) On and at any time after the occurrence of an Event of Default, the Debenture Trustee shall, if so directed by Debenture Holder(s) of the relevant series/ tranche of the Debentures (holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the relevant tranche or series of the Debentures for the time being outstanding), be entitled to:

- i) accelerate the redemption of the relevant series/ tranche of the Debentures and the amounts due under the Debenture Trust Deed shall become immediately due and payable; and/or
  - ii) enforce its charge over the Security in terms of the Debenture Trust Deed to recover the amounts due in respect of the relevant series/ tranche of the Debentures; and/or
  - iii) exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under Debenture Trust Deed or under Indian law.
- b) 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.
- c) In addition to the above, and without prejudice to the Company's obligation to make payment of default interest on account of any delay in relation to making of any payments due in relation to the Debentures, so long as there shall be an Event of Default other than an event of default pertaining to as payment default, the Company shall pay an additional interest of 2% (two per cent) per annum over the implicit yield / Coupon Rate until such Event of Default is rectified, without any prejudice to the remedies available to the Debenture Holder(s) or the consequences of Events of Default
- d) All expenses incurred by the Debenture Trustee after an Event of Default has occurred in connection with:
  - (i) preservation of the Security (whether then or thereafter existing); and
  - (ii) collection of amounts due under this Agreement;shall be payable by the Company.

If, however, any resolution affecting the rights attached to the Debentures is placed before the Company, such resolution will first be placed before the Debenture Holders for their approval in accordance with the provisions of Applicable Law.

## 14.2 Early redemption clauses

### A. Change in shareholding:

The Debenture Trustee shall, if so directed by the 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 within 15 Business Days from the date of the receipt of the request letter from the Company) of the Debenture Holder(s),

- (a) shareholding of JM Financial Limited, either by itself or through its subsidiaries, associates or group companies, in the Company goes below 50.01% on fully diluted basis and
- (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; or (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.

Upon such request for early redemption, the debentures shall be redeemed by the Company within a period of 21 (Twenty One) Business Days.

#### **B. Maintaining “JM Financial” as part of the name of the Company:**

The Debenture Trustee shall, if so directed by the Debenture Holder(s), be entitled to accelerate the redemption of the debentures along with all applicable outstanding dues if the Company fails to maintain “JM Financial” as part of the name of the Company at all times during the tenure of debentures without the consent (which shall be provided within 15 business days from the date of the receipt of the request letter from the Company) of the Debenture Holder(s),

Upon such request for acceleration, the debentures shall be redeemed by the Company within a period of 21 (Twenty One) Business Days.

#### **C. Early redemption due to rating related action**

The happening of any of the following events would accelerate the redemption of the debentures under the Debenture Trust Deed within 21 (Twenty One) Business Days after the Company receiving the request for early redemption by Debenture holders within 15 Business Days:

- 1) Downgrade of long term rating to “BBB+” or below by the Credit Rating Agency (Current rating ICRA AA/Stable, PP-MLD [ICRA]AA/Stable and CRISIL AA/Stable)
- 2) Fresh assignment of long term rating of BBB+ or below to the Company or any debt availed/issued by the Company by Rating Agency;
- 3) Withdrawal/suspension of the credit rating of the NCDs.

In case of downgrade in external credit rating of the NCDs from its current rating, the Coupon Rate for the balance period would increase at the rate of 0.25% p.a. for each notch downgrade in rating and the same will be with effect from the rating downgrade date.

In the event of the early redemption, due to the rating action related early redemption clause, interest on the Debentures would be calculated for the period from the preceding Interest Payment Date till the date of such redemption.

#### **Note 15. Governing Law and Jurisdiction:**

- a) 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 Act, regulations/guidelines /directions of RBI, SEBI and Stock Exchanges and other applicable laws and regulations from time to time.

- b) This Supplemental Disclosure Document shall be governed by and construed in accordance with the laws of India.
- c) The Parties agree that the courts and tribunals at Mumbai shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the transaction Documents and that accordingly, any suit, action or proceedings arising out of or in connection with the Transaction Documents may be brought in such courts.

**Note 16. Tax Deduction at Source (TDS):**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment 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 person 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 re-enactment thereof for which a certificate will be issued by the Company.

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

**Note 17. Currency of Payment:**

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

**Note 18. 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 / put / call as specified in the relevant Supplemental DD. Such buy- back of NCDs may be at par or at discount / premium to the face value in agreement with respective Debenture Holders. 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 Section 121 of the Companies Act, 1956 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 19. 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 20. 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 21. Modification of Rights:**

The Debenture Holders' rights, privileges, terms and conditions attached to the NCDs under any Tranche may be varied, modified or abrogated with the consent, in writing, of the Debenture Holders of that Tranche who hold atleast three-fourth of the outstanding amount of the relevant Tranche of the NCDs or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture Holders of that Tranche, 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 of that Tranche, if the same are not acceptable to the Company.

**Note 22. Notices:**

The Company agrees to send notice of all meetings of the Debenture Holders specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013 shall be applicable for such meeting. 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 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) or Debenture trustee shall be sent by registered post or by hand delivery or an e-mail to the Company at its Registered Office or e-mail address 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 23. 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 24. Transfers:**

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

**Note 25. 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 26. 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 Agreement
- b. Debenture Trust Deed
- c. Deed of Hypothecation

**Note 27. Construction**

- a) On the question of “reasonability” or “materiality” as applicable to any Clause in the Deed, the opinion of the Debenture Trustee (acting on behalf of the Majority Debenture Holders) shall be final and conclusive.
- b) Any consent or approval required from the Debenture Trustee and/or Debenture Holder(s) under the applicable provisions of these presents shall be provided within reasonable time. The time taken by the Debenture Trustee and/or Debenture Holders for providing such consent / approval shall not be counted for the purpose of computing any time period under such applicable provisions of the Transaction Documents.

**Note 28. Acceptance of Trust and Liability**

- (a) The Debenture Trustee shall perform the duties in accordance with the terms and provisions of the Transaction Documents.
- (b) The Debenture Trustee in relation to the Debenture Holders, shall hold:
  - i) the Initial Contribution;
  - ii) the Security;
  - iii) all the rights under or pursuant to this Deed and all sums received by it under this Deed (save for any sums received solely for its own account); and
  - iv) all monies received by it out of, whether prior to or as a result of enforcement of the Security created hereunder or the other Transaction Documents or the exercise of rights and remedies under this Deed,

upon trust, for and on behalf of and for the benefit of the Debenture Holder(s) and subject to the powers and provisions declared and contained in the Transaction Documents and concerning the same, for due payment and discharge of the Secured Obligations.

- (c) The Debenture Trustee shall be answerable to and accountable to the Debenture Holder(s) for any loss in relation to the Security or any part thereof or any rights in respect thereto only under circumstances arising out of its wilful misconduct, wilful default, gross negligence, fraud, breach of and/ or a failure to comply with the terms and conditions of the Transaction Documents or any other agreement by which the Debenture Trustee may be bound or express instructions of the Majority Debenture Holder(s) or any of their representatives, agents, nominees or officers.
- (d) The Debenture Holder(s) shall not have any legal title to any part of the Security created pursuant to the Transaction Documents, provided that the Debenture Holder(s) shall have beneficial interest and an enforceable Security in the same to the extent that such Security, which have been created to secure the Secured Obligations owed to the Debenture Holder(s) by the Company under the Transaction Documents, are enforceable in accordance with the terms thereof.

## **Note 29. Grant and Transfer**

- (a) For the consideration as aforesaid and as continuing security for the redemption of Debentures and due payment and discharge of the Secured Obligations, the Company doth hereby grant, convey, assign, assure, mortgage and transfer, unto the Debenture Trustee by way of first pari passu charge, the Immovable Property being all and singular, the lands more particularly described in the Second Schedule of the Deed together with all buildings, erections, godowns and construction appurtenants of every description, whether presently existing or at any time in future existing in, over, upon or to the aforesaid premises or any part thereof belonging to or appertaining or usually held, occupied or enjoyed therewith or reputed to belong or be appurtenant thereto and all the estate, right, title, interest, property, claim and demand whatsoever of the Company in, to and upon the same to have and to hold all and singular the aforesaid premises unto and to the use of the Debenture Trustee as security UPON TRUST and subject to the powers and provisions herein declared and contained and concerning the same and subject to the covenant for redemption hereinafter mentioned.
- (b) For the consideration aforesaid and as continuing security for the redemption of Debentures and the due payment and discharge of the Secured Obligations hereby secured, the Company, as the

legal and/or beneficial owner of the Movable Property more particularly described in the Third Schedule of the Deed, do hereby grant, convey, assure, assign and transfer unto the Debenture Trustee by way of a first exclusive charge all the right, title and interest in the Moveable Property together with all records, documents and instruments, that are in existence as on the date hereof and that shall come into existence at any time and from time to time hereafter, which represent the Moveable Property charged as and by way of first exclusive hypothecation as security UPON TRUST and subject to the powers and provisions herein contained and subject also to the provisions for redemption hereinafter mentioned.

- (c) The Mortgage created over the Mortgage Properties shall be a charge in favour of the Debenture Trustee, acting for and on behalf of the Debenture Holder(s); PROVIDED HOWEVER THAT the Company has not given possession of the Mortgage Properties to the Debenture Trustee and has also not agreed to give the possession of the Mortgage Properties to the Debenture Trustee save and except the provisions contained under these presents.

### **Note 30. Company's Covenants**

- a) Not undertake or permit any compromise with its creditors or shareholders until Final Settlement Date without prior written approval of the Majority Debenture Holders;
- b) Pay all duties, taxes, charges and penalties, if and when the Company is required under the Transaction Documents to pay according to the Applicable Law for the time being in force, and in the event of the Company failing, save to the extent the Company contests the same in good faith, to pay such duties, taxes and penalties as aforesaid, the Debenture Trustees will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Debenture Trustee within 10 Business Days of a demand being made by the Debenture Trustee in this regard. In case the Company fails to reimburse the Debenture Trustee within the aforesaid period the Debenture Trustee may charge interest at the rate of 12% per annum for the period for which such reimbursement remains unpaid;
- c) Ensure that, so long as the Debentures are not redeemed, the Company will have long term rating outstanding from the Rating Agency;
- d) Ensure that it shall continue to be the owner of the Mortgage Properties.
- e) Not be entitled to any immunity or privilege (sovereign or otherwise) from any set-off, judgment, execution, attachment or other legal process;
- f) "JM Financial" to be a part of the name of the Company at all times during the tenure of debentures. In case the Company intends to change its name by excluding "JM Financial" from its name, it shall seek approval of Majority Debenture Holders (75%).

### **Note 31. Maintenance of Security Cover**

- a) All receivables forming part of the security would always be Standard (Non-Non Performing Asset) loan accounts.
- b) The Company shall, if the Security Cover has fallen below 1 time, then within a maximum period of 45 (Forty Five) Days from the date on which the Security Cover went below 1.00 times, provide and perfect charge on first pari pasu basis on the Additional Security by filing the applicable form with the Registrar of Companies.

**Note 32. Financial Covenants and Conditions****(a) Debenture Holder not entitled to shareholders' rights:**

Any resolution affecting the rights attached to the Debentures is placed before the Company, such resolution will first be placed before the Debenture Holders for their approval in accordance with the provisions of Applicable Law.

**Note 33. Survival**

The provisions of Note 20 (*Modifications*), Note 20 (*Notices*), and Note 14 (*Governing Law and Jurisdiction*) shall survive till the termination of this Deed.

**Note 34: 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. It 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 second or *pari passu* charge being created, where applicable, in favor of the trustees to the proposed issue would be obtained.

**Note 35.** The Company reserves the right to amend the Tranche timetable. The Company shall also be free to amend the above format of Term sheet in Supplemental DD depending upon the terms and conditions of the NCDs being issued.

**B.b. Additional covenants:**

- a. 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 / implicit yield 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.

**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, have been entered into / executed by the Company:

1. Memorandum and Articles of Association of the Company
2. NBFC registration certificate dated March 2, 1998 issued by Reserve Bank of India
3. Resolution of the Board of Directors passed at its meeting held on July 20, 2015 approving, inter-alia, the issue of Non-Convertible Debentures aggregating upto Rs. 700,00,00,000/- (Rupees Seven Hundred Crore)
4. Resolution passed by the shareholders at the Annual General Meeting of the Company held on July 2, 2014 appointing Deloitte Haskins & Sells LLP as Auditors of the Company.
5. Resolution passed by the shareholders of the Company at the Annual General Meeting held on June 5, 2015 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 Rs. 7,700,00,00,000/- (Rupees Seven Thousand Seven Hundred Crore)
6. Resolution passed by the shareholders of the Company at the Annual General Meeting held on June 5, 2015 authorising the Board of Directors to offer, issue and allot secured/unsecured, listed/unlisted, rated Redeemable Non-Convertible Debentures (NCDs), in one or more series/tranches, aggregating up to Rs. 700 crore (Rupees Seven Hundred Crore only), on private placement basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine in the best interests of the Company.
7. Letter dated May 14, 2015 from ICRA assigning the credit rating to the NCDs
8. Tripartite agreement dated January 2, 2008 between the Company, Registrar and CDSL
9. Certified true copy of the Tripartite agreement dated December 12, 2007 between the Company, Registrar and NSDL
10. Shelf Disclosure Document dated December 6, 2013 issued by the Company in connection with the issue of secured, rated, unlisted, redeemable non-convertible debentures aggregating upto Rs. 451,00,00,000/- (Rupees Four Hundred Fifty One Crore) alongwith all the supplemental Disclosure Documents issued pursuant thereto
11. Debenture Trust Deed dated December 9, 2013 executed between the Company and IDBI Trusteeship Services Limited in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating to Rs. 100,00,00,000/- (Rupees One Hundred Crore)
12. Deed of Hypothecation and Debenture Trust Deed dated January 29, 2014, executed between the Company and IDBI Trusteeship Services Limited in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating to Rs. 8,00,00,000/- (Rupees Eight Crore)
13. Debenture Trust Deed dated February 14, 2014 executed between the Company and IDBI Trusteeship Services Limited in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating to Rs. 100,00,00,000/- (Rupees One Hundred Crore)
14. Deed of Hypothecation and Debenture Trust Deed dated February 25, 2014, executed between the Company and IDBI Trusteeship Services Limited in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating to Rs. 10,00,00,000/- (Rupees Ten Crore)
15. Debenture Trust Deed dated September 12, 2014 executed between the Company and IDBI Trusteeship Services Limited in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating to Rs. 298,00,00,000/- (Rupees Two Hundred Ninety Eight Crore) (Extent of charge now reduced to Rs. 54,50,00,000/-).

16. Consent letter issued by IDBI Trusteeship Services Limited dated June 1, 2015 to act as the Debenture Trustee to the Issue under Regulation 4(4) of the SEBI Regulations and inclusion of its name in the form and context in which it appears in this Disclosure Document.
17. Consent letter issued by Sharepro Services (India) Private Limited dated May 29, 2015 to act as the Registrar to the Issue and inclusion of its name in the form and context in which it appears in this Shelf Disclosure Document.
18. Letter dated June 10, 2015 from BSE Limited giving its in-principle approval to the Issue.
19. Shelf Disclosure Document dated June 10, 2015 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 200,00,00,000/- (Rupees Two Hundred Crore) alongwith all the supplemental Disclosure Documents issued pursuant thereto
20. Debenture Trust Deed dated June 10, 2015 executed between the Company and IDBI Trusteeship Services Limited in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating to Rs. 200,00,00,000/- (Rupees Two Hundred Crore).
21. Supplemental Debenture Trust Deed dated October 28, 2015 to the original Debenture Trust Deed dated June 10, 2015 executed between the Company and IDBI Trusteeship Services Limited in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating to Rs. 200,00,00,000/- (Rupees Two Hundred Crore).
22. Shelf Disclosure Document dated July 11, 2016 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 350,00,00,000/- (Rupees Three Hundred Fifty Crore) alongwith all the supplemental Disclosure Documents issued pursuant thereto
23. Resolution passed by the shareholders of the Company at the Annual General Meeting held on July 21, 2016 authorising the Board of Directors to offer, issue and allot secured/unsecured, listed/unlisted, rated Redeemable Non-Convertible Debentures (NCDs), in one or more series/tranches, aggregating up to Rs. 700 crore (Rupees Seven Hundred Crore only), on private placement basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine in the best interests of the Company.
24. Debenture Trust Deed dated October 19, 2016 executed between the Company and IDBI Trusteeship Services Limited in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating to Rs. 350,00,00,000/- (Rupees Three Hundred Fifty Crore).
25. Employment agreement executed on October 27, 2016 between Mr. Vishal Kampani and the Company for re-appointment of Mr. Kampani as the Managing Director of the Company.
26. Letter dated November 4, 2016 from ICRA Limited assigning the credit rating to the Market Linked NCDs of the Company.
27. Consent letter issued by Karvy Computershare Private Limited dated January 10, 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 Shelf Disclosure Document.
28. Shelf Disclosure Document dated January 11, 2017 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 149,00,00,000/- (Rupees One Hundred Forty Nine Crore) alongwith all the supplemental Disclosure Documents issued pursuant thereto
29. Resolution passed by the shareholders of the Company at the Extraordinary Meeting held on February 10, 2017 authorising the Board of Directors to offer, issue and allot secured/unsecured, listed/unlisted, rated redeemable Non-Convertible Debentures (NCDs), in one or more series/tranches, aggregating up to Rs. 2000 crore (Rupees Two Thousand Crore only), on private placement basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine in the best interests of the Company.



30. Resolution passed by the shareholders of the Company at the Extraordinary General Meeting held on February 10, 2017 authorising the Board of Directors to offer, issue and allot secured/unsecured, listed/unlisted, rated Redeemable Non-Convertible Debentures (NCDs), in one or more series/tranches, aggregating up to Rs. 2,000 crore (Rupees Two Thousand Crore only), on private placement basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine in the best interests of the Company.
31. Letter dated March 3, 2017 from ICRA Limited assigning the credit rating to the Non-Convertible Debenture Programme and Long term Principal Protected Equity Linked Debenture Programme for an additional amount of Rs. 10,00,00,00,000/- and Rs. 200,00,00,000/- respectively of the Company.
32. Letter dated March 3, 2017 from CRISIL Limited assigning the credit rating to the Non-Convertible Debenture Programme for an additional amount of Rs. 10,00,00,00,000/- of the Company.

Certified true copy of the above documents are available for inspection at the Registered Office of the Company situated at 7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 until the date of closure of the respective tranche 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 authorized by the Board of Directors of the Company vide resolution dated January 13, 2017 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters 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 Shelf DD.

For JM Financial Products Limited



**Hemant Kotak**  
Authorised Signatory

Place: Mumbai

Date: March 8, 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 as amended from time to time)

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

<b>Sr. No.</b>	<b>Disclosure Requirements</b>	<b>Page No.</b>
<b>1.</b>	<b>GENERAL INFORMATION</b>	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office.	Page 18
b.	Date of incorporation of the company.	July 10, 1984
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	Page 19 - 20
d.	Brief particulars of the management of the company.	Page 25 - 26
e.	Names, addresses, DIN and occupations of the directors.	Page 25 - 26
f.	Management's perception of risk factors.	Pages 9 - 17
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 18
<b>2.</b>	<b>PARTICULARS OF THE OFFER</b>	
a.	Date of passing of board resolution.	January 13, 2017
b.	Date of passing of resolution in the general meeting, authorising the offer of securities.	February 10, 2017
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 46
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 46
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.	Page 46 - 47 as applicable
h.	Proposed time schedule for which the offer letter is valid.	Page 47

i.	Purposes and objects of the offer.	Page 46
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 47 - 48
<b>3.</b>	<b>DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.</b>	
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 to the annexures attached to DD
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.	
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
<b>4.</b>	<b>FINANCIAL POSITION OF THE COMPANY</b>	
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);	Page 23

(b)	Size of the present offer; and	Page 46
(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 24
	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.	Not Applicable
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 36
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).	Page 21
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 35
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	Page 37 - 38
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 AND CRISIL CREDIT RATING LETTERS AND RATING RATIONALES**

**B - CONSENT LETTER OF THE DEBENTURE TRUSTEE**

**C – FINANCIALS OF THE COMPANY FOR FY 2015-16, 2014-15 and 2013-14**

**D - BOARD OF DIRECTORS RESOLUTION**

**E - SHAREHOLDERS RESOLUTION**



ICRA

ICRA Limited

CONFIDENTIAL

Ref: 2016-17/MUM/1715  
March 03, 2017

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

Dear Sir,

**Re: ICRA Credit Rating for the Rs. 1,000 crore Non Convertible Debenture Programme of JM Financial Products Limited**

Please refer to your Rating Agreement dated February 27, 2017 for carrying out the rating of the aforesaid Non Convertible Debenture Programme. The Rating Committee of ICRA, after due consideration, has assigned rating of “**[ICRA]AA**” (pronounced ICRA double A) to the aforesaid non convertible 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.

We would appreciate if you can sign on the duplicate copy of this letter and send it to us latest by 10<sup>th</sup> March, 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.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us. We look forward to your communication and assure you of our best services.

With kind regards,

For ICRA Limited

  
KARTHIK SRINIVASAN  
Senior Vice President

  
VIBHOR MITTAL  
Vice President

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

**RATING • RESEARCH • INFORMATION**



ICRA

ICRA Limited

CONFIDENTIAL

Ref: 2016-17/MUMR/1234  
January 27, 2017

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

Dear Sir,

**Re: Revalidation of Credit Rating for Rs. 700 crore Non Convertible Debenture Programme of JM Financial Products Limited**

This is with reference to your email dated January 27, 2017 for re-validating the rating for the captioned programme.

We hereby confirm that the "[ICRA]AA" rating with stable outlook assigned to the captioned programme and last communicated to you vide our letter dated December 28, 2016, stands. Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely payment of financial obligations. Such instruments carry very low credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: 2016-17/MUM/1395 dated December 28, 2016.

With kind regards,

Yours faithfully,  
For ICRA Limited

  
**KARTHIK SRINIVASAN**  
Senior Vice President  
[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

  
**VIBHOR MITTAL**  
Vice President  
[vibhorm@icraindia.com](mailto:vibhorm@icraindia.com)

3rd Floor, Electric Mansion,  
Appasaheb Marathe Marg,  
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Tel. : + 91 22 6169 3300 / 301  
Fax : + 91 22 2433 1390  
CIN : L74999DL1991PLC042749

Website : [www.icra.in](http://www.icra.in)  
email : [mumbai@icraindia.com](mailto: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

**RATING • RESEARCH • INFORMATION**



CONFIDENTIAL

JMFPPL/173221/NCD/7040  
March 3, 2017

**Mr. Hemant Kotak**

Chief Financial Officer

**JM Financial Products Limited**

1st Floor, B Wing Suashish IT Park,  
Plot No 68E Off Dattapada Road, Opp. Tata Steel  
Borivali East  
Mumbai - 400066  
Tel:22 61667000

Dear Mr. Hemant Kotak,

**Re: CRISIL Rating for the Rs.1000.0 Crore Non-Convertible Debenture Issue of JM Financial Products Limited**

We refer to your request for a rating for the captioned Debt instrument.

CRISIL has, after due consideration, assigned a “**CRISIL AA/Stable**” (pronounced “CRISIL double A rating with stable outlook”) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

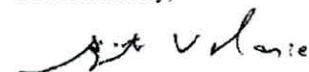
Further, in view of your decision to accept the CRISIL Rating, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at [debtissue@crisil.com](mailto:debtissue@crisil.com)

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Ajit Velonie  
Director- CRISIL Ratings



Nivedita Shibu  
Associate Director - CRISIL Ratings



A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, [www.crisil.com](http://www.crisil.com). For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

Classification: EXTERNAL

**CRISIL Limited**

Corporate Identity Number: L67120MH1987PLC042363



**Details of the Rs.1000.0 Crore Non-Convertible Debenture Issue of  
JM Financial Products Limited**

	<i>1st tranche</i>		<i>2nd tranche</i>		<i>3rd tranche</i>	
<i>Instrument Series:</i>						
<i>Amount Placed:</i>						
<i>Maturity Period:</i>						
<i>Put or Call Options (if any):</i>						
<i>Coupon Rate:</i>						
<i>Interest Payment Dates:</i>						
<i>Principal Repayment Details:</i>	Date	Amount	Date	Amount	Date	Amount
<i>Investors:</i>						
<i>Trustees:</i>						

***In case there is an offer document for the captioned Debt issue, please send us a copy of it.***

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, [www.crisil.com](http://www.crisil.com). For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

Classification: EXTERNAL

**CRISIL Limited**

Corporate Identity Number: L67120MH1987PLC042363

CONFIDENTIAL

JMFPPL/165020/NCD/5068  
December 26, 2016

**Mr. Hemant Kotak**  
Chief Financial Officer  
**JM Financial Products Limited**  
1st Floor, B Wing Suashish IT Park,  
Plot No 68E Off Dattapada Road, Opp. Tata Steel  
Borivali East  
Mumbai - 400066  
Tel:22 61667000

Dear Mr. Hemant Kotak,

**Re: Review of CRISIL Rating for the Rs.7.0 Billion Non-Convertible Debentures Issue of JM Financial Products Limited**

All ratings assigned by CRISIL are kept under continuous surveillance and review.

CRISIL has, after due consideration, reaffirmed its “**CRISIL AA/Stable**” (pronounced “CRISIL double A rating with stable outlook”) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to suspend, withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

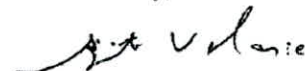
In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at [debtissue@crisil.com](mailto:debtissue@crisil.com)

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Ajit Velonie  
Director- CRISIL Ratings



Nivedita Shibu  
Associate Director - CRISIL Ratings



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Classification: EXTERNAL

**CRISIL Limited**

Corporate Identity Number: L67120MH1987PLC042363





CONFIDENTIAL

Ref: 2016-17/MUM/1714  
March 03, 2017

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

Dear Sir,

**Re: ICRA Credit Rating for the Rs. 200 crore Long term Principal Protected Equity Linked Debenture Programme of JM Financial Products Limited**

Please refer to your Rating Agreement dated March 02, 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) to the aforesaid long term principal protected equity 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.

We would appreciate if you can sign on the duplicate copy of this letter and send it to us latest by 10<sup>th</sup> March, 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.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us. We look forward to your communication and assure you of our best services.

With kind regards,

For ICRA Limited

  
**KARTHIK SRINIVASAN**  
Senior Vice President

  
**VIBHOR MITTAL**  
Vice President

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

CONFIDENTIAL

Ref: 2016-17/MUMR/1232  
January 27, 2017

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

Dear Sir,

**Re: Revalidation of Credit Rating for Rs. 225 crore Long term Principle Protected Equity Linked Debenture Programme of JM Financial Products Limited**

This is with reference to your email dated January 27, 2017 for re-validating the rating for the captioned programme.

We hereby confirm that the “PP-MLD[ICRA]AA” rating with stable outlook assigned to the captioned programme and last communicated to you vide our letter dated December 28, 2016, stands. Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely payment 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 other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: 2016-17/MUM/1397 dated December 28, 2016.

With kind regards,

Yours faithfully,  
For ICRA Limited



KARTHIK SRINIVASAN  
Senior Vice President  
[karthiks@icraindia.com](mailto:karthiks@icraindia.com)



VIBHOR MITTAL  
Vice President  
[vibhorm@icraindia.com](mailto:vibhorm@icraindia.com)

No.7786/ITSL/OPR/CL/16-17/DEB/1216

Date: March 07, 2017

**JM Financial Products Limited**

7th Floor, Cnergy,

Appasaheb Marathe Marg, Prabhadevi,

Mumbai 400 025

**Kind Attn: Ms Reena Sharda, Company Secretary**

Dear Sir,

**Subject: Consent to act as Debenture Trustee for Secured Redeemable Non-Convertible Debentures (NCDs) aggregating upto Rs. 1000 Crores**

This is with reference to the discussion we had regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustee for the proposed NCD issue aggregating upto Rs. 1000 Crores to be issued in one or more tranches. In this connection we confirm our acceptance of the assignment.

We are agreeable for inclusion of our name as trustee in the offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required subject to the following conditions:

1. The Company shall enter into Written Debenture Trustee Agreement (DTA) for the said issue before the opening of Subscription list for issue of debentures.
2. The Company agrees and undertakes to create the securities over such of its immovable and moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute, the Debenture Trust Deed (DTD) and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed in the Information Memorandum or Disclosure Document in any case not exceeding 3 months from the date of closure of the Issue.
3. The Company agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, traveling 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.
4. The Company shall agree & undertake to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI Circular No. SEBI/IMD/BOND/1/2009/11/05 dated the 11<sup>th</sup> May, 2009 on Simplified Listing Agreement for Debt Securities read with the SEBI Circular No. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated the 26<sup>th</sup> November, 2009, the Companies Act, 1956 as amended from time to time and other applicable provisions and agree to furnish to Trustees such information in terms the same on regular basis.

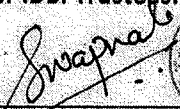



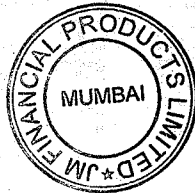
5. Any payment in respect of Debentures required to be made by the Debenture Trustee to a Debenture Holder (who is a FII Entity) at the time of enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorised Dealer. The Company/Investor shall obtain all such approvals, if required, to ensure prompt and timely payments to the said Debenture Holder. Such remittance shall not exceed total investment (and interest provided for herein) made by the Debenture Holder (who is a FII).
6. The Issuer Company confirms that all necessary disclosures have been made in the Information Memorandum/Disclosure document including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Information Memorandum/Disclosure document. Each prospective investor should make its own independent assessment of the merit of the investment in NCDs and the Issuer Company. Prospective Investor 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 suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.
7. The Trustees, "ipso facto" do not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid/invested by investors for the debentures/Bonds.

Looking forward to a fruitful association with you and assuring you of our best services at all times.

Thanking you,

Yours faithfully,  
For IDBI Trusteeship Services Limited

  
  
(Authorized Signatory)



We accept the above terms  
For JM Financial Products Limited

  
(Authorized Signatory)



## **JM FINANCIAL PRODUCTS LIMITED**

### **Audited Financial Statements**

**FY 2015-16**

**Corporate Identity Number- U74140MH1984PLC033397**

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

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



**BOARD OF DIRECTORS**

Mr. V P Shetty  
Mr. Vishal Kampani  
Mr. Madhukar R Umarji  
Mr. E A Kshirsagar  
Mr. Dhirendra Singh  
Ms. Roshini Bakshi

**AUDIT COMMITTEE**

Mr. E A Kshirsagar  
Mr. Madhukar R Umarji  
Mr. Dhirendra Singh

**CHIEF FINANCIAL OFFICER**

Mr. Hemant Kotak

**COMPANY SECRETARY**

Ms. Reena Sharda

**STATUTORY AUDITORS**

Deloitte Haskins & Sells LLP  
Chartered Accountants  
Indiabulls Finance Centre,  
Tower 3, 27<sup>th</sup>-32<sup>nd</sup> Floor,  
Senapati Bapat Marg,  
Elphinstone Road (West),  
Mumbai 400 013

**BANKERS**

HDFC Bank Limited  
Tulsiani Chambers  
Nariman Point  
Mumbai – 400 021

**REGISTERED OFFICE**

7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi,  
Mumbai – 400 025

**DEBENTURE TRUSTEE**

IDBI Trusteeship Services Limited,  
Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai – 400 001

# Deloitte Haskins & Sells LLP

Chartered Accountants  
Indiabulls Finance Centre  
Tower 3, 27th - 32nd Floor  
Senapati Bapat Marg  
Elphinstone Road (West)  
Mumbai - 400 013  
Maharashtra, India

Tel: +91 (022) 6185 4000  
Fax: +91 (022) 6185 4501/4601

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JM FINANCIAL PRODUCTS LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **JM FINANCIAL PRODUCTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is 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 prescribed under section 133 of the Act.

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; and 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.

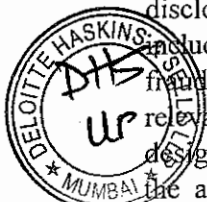
### Auditor's Responsibility

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 and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting



## **Deloitte**

### **Haskins & Sells LLP**

estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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**

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 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we 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 purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the 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 Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (refer note 24 of the financial statements);
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Abhijit A. Damle**  
Partner

(Membership No. 102912)

Mumbai, dated 12<sup>th</sup> May, 2016

# **Deloitte Haskins & Sells LLP**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**  
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting 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 PRODUCTS LIMITED** ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 Companies Act, 2013.

## **Auditor's 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 was established and maintained and if 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 judgement, including the assessment of the risks of material misstatement of 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**

A company's internal financial control over financial reporting is a process designed 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 authorisations of management and directors of the company; and (3) provide reasonable



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assurance regarding prevention or timely detection of unauthorised 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. Also, 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 because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, 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<sup>st</sup> 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Abhijit A. Damle**  
Partner  
(Membership No. 102912)

Mumbai, dated 12<sup>th</sup> May, 2016

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

In our opinion and according to the information and explanations given to us, the nature of the Company's business/activities/results for the year are such that clauses (ii) and (vi), of the Order are not applicable. In respect of the other clauses, we report as under:

1. In respect of fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) All the fixed assets were physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.
2. According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no amount overdue for more than 90 days at the balance sheet date.
3. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
4. According to the information and explanations given to us, the Company has not accepted any deposit during the year.
5. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities. There were no undisputed amounts payables in respect of the aforesaid dues in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date of becoming payable.
  - (b) There are no cases of non-deposits with the appropriate authorities of disputed dues of Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as applicable. Details of dues of Income Tax which have not been deposited as on 31<sup>st</sup> March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates (Financial Year)	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2012-13	50,411,514	27,912,218



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6. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company has not taken loans or borrowings from government and financial institutions.
7. In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by term loans during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
8. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
9. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
10. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
11. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
12. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
14. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Abhijit A. Damle**  
Partner  
(Membership No. 102912)

Mumbai, dated 12<sup>th</sup> May, 2016



**JM FINANCIAL PRODUCTS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2016**

	Note No.	Rupees	Rupees	As at 31.03.2015 Rupees
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholder's Funds</b>				
Share Capital	2	5,445,000,000		5,445,000,000
Reserves and Surplus	3	6,610,210,027		5,535,581,299
			<b>12,055,210,027</b>	<b>10,980,581,299</b>
<b>Non-Current Liabilities</b>				
Long-term borrowings	4	4,616,340,812		1,106,929,840
Long term provisions	5	270,343,455		270,466,610
			<b>4,886,684,267</b>	<b>1,377,396,450</b>
<b>Current Liabilities</b>				
Short-term borrowings	6	23,520,484,404		28,872,028,441
Trade payables:	7			
- Dues to micro and small enterprises		-		-
- Others		46,603,691		18,335,790
Other current liabilities	8	1,845,637,456		3,449,484,509
Short-term provisions	9	739,926,294		792,075,077
			<b>26,152,651,845</b>	<b>33,131,923,817</b>
<b>TOTAL</b>			<b>43,094,546,139</b>	<b>45,489,901,566</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Fixed assets	10			
Tangible assets		27,497,575		25,348,016
Intangible assets		10,940,201		13,249,392
Non-current investments	11	980,839,333		1,930,839,333
Deferred tax assets (net)	12	138,290,550		147,178,890
Long-term loans and advances	13	11,520,240,214		10,354,702,927
			<b>12,677,807,873</b>	<b>12,471,318,558</b>
<b>Current assets</b>				
Current investments	14	70,199,932		4,292,041
Stock-in-trade	15	2,568,941,562		3,590,075,769
Cash and bank balances	16	6,996,335,080		3,824,299,027
Short-term loans and advances	17	20,392,083,616		25,561,114,784
Other current assets	18	389,178,076		38,801,387
			<b>30,416,738,266</b>	<b>33,018,583,008</b>
<b>TOTAL</b>			<b>43,094,546,139</b>	<b>45,489,901,566</b>
Notes to the financial statements	1 to 37			

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants



Abhijit A. Damle  
Partner  
Place : Mumbai  
Date : May 12, 2016

For and on behalf of the Board of Directors

Vishal Kampani  
Managing Director  
DIN - 00009079

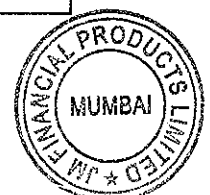
V. P. Shetty  
Chairman  
DIN - 00021773



Hemant Kotak  
Chief Financial Officer  
Place : Mumbai  
Date : May 12, 2016



Reena Sharda  
Company Secretary



**JM FINANCIAL PRODUCTS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016**

	Note No.	Rupees	Previous Year Rupees
Revenue from operations	19	5,278,393,111	6,581,590,107
Other Income	20	316,434,350	443,221,968
<b>TOTAL REVENUE</b>		<b>5,594,827,461</b>	<b>7,024,812,075</b>
<b>EXPENSES</b>			
Employee benefits expense	21	156,359,114	273,297,898
Finance costs	22	2,749,637,418	3,733,349,328
Depreciation / amortization expense	10	15,455,738	13,946,141
Operating and other expenses	23	204,516,437	232,082,293
<b>TOTAL EXPENSES</b>		<b>3,125,968,707</b>	<b>4,252,675,660</b>
<b>PROFIT BEFORE TAX</b>		<b>2,468,858,754</b>	<b>2,772,136,415</b>
<b>TAX EXPENSE:</b>			
Current tax		783,000,000	895,000,000
Deferred tax		8,888,340	(5,767,844)
Short provision for income tax in respect of earlier years		2,626,190	-
<b>Total</b>		<b>794,514,530</b>	<b>889,232,156</b>
<b>PROFIT AFTER TAX</b>		<b>1,674,344,224</b>	<b>1,882,904,259</b>
<b>Earning Per Equity Share</b> (Face value of Rs. 10/- each) Basic and Diluted	29	3.08	3.46
Notes to the financial statements	1 to 37		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants



Abhijit A. Damle  
Partner  
Place : Mumbai  
Date : May 12, 2016

For and on behalf of the Board of Directors



Vishal Kampani  
Managing Director  
DIN - 00009079

V. P. Shetty  
Chairman  
DIN - 00021773



Hemant Kotak  
Chief Financial Officer  
Place : Mumbai  
Date : May 12, 2016

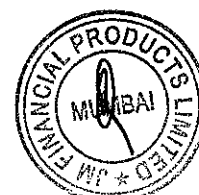
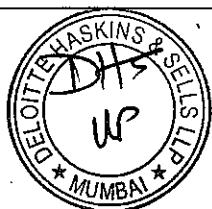


Reena Sharda  
Company Secretary



**JM FINANCIAL PRODUCTS LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2016**

PARTICULARS	Rupees	Previous Year Rupees
<b>A Net Profit before tax</b>	2,468,858,754	2,772,136,415
<b>Adjustment for :</b>		
Depreciation/ Amortisation	15,455,738	13,946,141
Loss on fixed assets sold/ discarded (net)	-	128,935
Profit on Sale of Fixed Assets (net)	(253,941)	-
Loan funds written off	-	1,927,378
Provision for doubtful loans	-	23,241,210
Interest expenses - Others	4,740,902	1,906,815
Provision for doubtful loans written back	(3,003,715)	(1,927,378)
Interest Income on fixed deposits with Banks and others	(72,172,936)	(260,046,102)
Provision for bonus - written back	(2,300,000)	(1,237,500)
Dividend on current investments	(209,725,301)	(15,239,255)
Dividend on long term investments	(600,000)	(84)
Profit on sale of long term investments	-	(132,680,206)
Profit on sale of current investments	(27,835,298)	(31,916,229)
<b>Operating Profit before Working Capital Changes</b>	<b>2,173,164,203</b>	<b>2,370,240,140</b>
<b>Changes in working capital</b>		
<b>Adjustment for (increase)/ decrease in operating assets:</b>		
Loans and advances and other current assets	3,637,419,524	(6,315,775,112)
Stock-in-trade	1,021,134,207	1,752,004,492
Operating fixed deposits with banks	400,000,000	-
Accrued interest income related to operating activities	32,032,623	33,198,479
<b>Adjustment for increase/ (decrease) in operating liabilities:</b>		
Trade payables, other liabilities and provisions	15,938,577	(47,813,324)
Accrued interest expenses related to operating activities	(96,664,623)	(54,852,272)
<b>Cash generated from /(used in) operations</b>	<b>7,183,024,511</b>	<b>(2,262,997,597)</b>
Direct taxes paid (net)	(789,266,775)	(932,538,544)
<b>Net Cash flow from /(used in) Operating Activities (A)</b>	<b>6,393,757,736</b>	<b>(3,195,536,141)</b>
<b>B Cash flow from Investing Activities</b>		
Purchase of fixed assets	(26,777,473)	(9,184,654)
Sale of fixed assets	4,337,284	801,020
Purchase of long term investments	-	(980,839,333)
Sale of long term investments	-	477,100,206
Sale of investment in a subsidiary	950,000,000	-
(Purchase)/ sale of current investments (net)	(38,072,593)	27,624,188
Decrease/ (increase) in other bank balances	2,770,000,000	(110,000,000)
Interest received	74,654,452	268,455,196
Dividend received	210,325,301	15,239,339
<b>Net Cash flow from /(used in) Investing Activities (B)</b>	<b>3,944,466,971</b>	<b>(310,804,037)</b>
<b>C Cash flow from Financing Activities</b>		
Proceeds/ (Repayment) from long term borrowings (net)	2,015,443,673	(2,963,819,622)
(Repayments)/ Proceeds from short term borrowings (net)	(5,351,544,037)	6,529,158,658
Interest paid	(4,740,902)	(1,906,815)
Dividend paid (Including Corporate Dividend Tax)	(655,347,388)	(191,111,333)
<b>Net Cash flow (used in) / from from Financing Activities (C)</b>	<b>(3,996,188,654)</b>	<b>3,372,320,888</b>
<b>Net increase /(decrease) in cash and cash equivalents (A+B+C)</b>	<b>6,342,036,053</b>	<b>(134,019,291)</b>
Cash and cash equivalents at the beginning of the year	54,299,027	188,318,318
<b>Cash and cash equivalents at the end of the year</b>	<b>6,396,335,080</b>	<b>54,299,027</b>



**JM FINANCIAL PRODUCTS LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2016**

**Notes.**

	Rupees	As at 31.03.2015 Rupees
(1) <b>Reconciliation of cash and cash equivalents:</b>		
As per Balance Sheet - Note 16	6,996,335,080	3,824,299,027
Less: Balances with banks in deposit	600,000,000	3,770,000,000
<b>As per Cash-flow statement</b>	<b>6,396,335,080</b>	<b>54,299,027</b>
(2) Balances with banks in deposit includes Rs.600,000,000/- (Previous year Rs.3,770,000,000/-) placed as securities against overdraft facilities availed from the banks.		

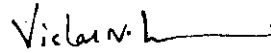
In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants



**Abhijit A. Damle**  
Partner  
Place : Mumbai  
Date : May 12, 2016

**For and on behalf of the Board of Directors**



**Vishal Kampani**  
Managing Director  
DIN - 00009079



**V.P. Shetty**  
Chairman  
DIN - 00021773



**Hemant Kotak**  
Chief Financial Officer  
Place : Mumbai  
Date : May 12, 2016



**Reena Sharda**  
Company Secretary



**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**Note 1**

**Significant Accounting Policies**

**Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amount of income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actual and estimates are recognised in the period in which the results are known / materialised.

**Fixed Assets**

Fixed Assets are recorded at cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation/ amortization and impairment loss, if any.

**Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are depreciated over the period of lease or useful life of the asset whichever is lower.

Assets acquired under finance lease are depreciated over the period of lease.

Assets costing Rs.5,000/- or less are depreciated at 100%.

**Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. Softwares are amortized over a period of five years on a straight line basis.

**Impairment loss**

Impairment loss is provided to the extent the carrying amount(s) of assets exceed their recoverable amount(s). Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

**Investments**

Current investments are carried at lower of cost (Scrip wise) and fair value. Long term investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of long term investments.

**Stock in Trade**

Stock in trade is carried at lower of cost and fair value. Cost is determined on First in First Out basis.

**Foreign Currency Transactions**

Transactions in foreign currency are recorded at rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency are reported using the closing rates of exchange. Exchange differences arising thereon and on realisation/ payment of foreign exchange are accounted in the relevant year as income or expense.

**Revenue Recognition**

Interest income is recognised on accrual basis except in case of non-performing assets where interest is accounted on realization. In other cases, income is recognised when there is no significant uncertainty as to determination or realization exists.



## JM FINANCIAL PRODUCTS LIMITED

### Notes to the financial statements

#### **Provision for Non Performing Assets (NPA) and Standard Assets (SA)**

All loans and other credit exposures, where the installments are overdue for a period of six months or more are classified as NPA. Provision is made in respect of NPA and SA in accordance with the stipulations of Prudential Norms prescribed in the "Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015" by the Reserve Bank of India (RBI). Additional provisions (over and above the provisioning requirements under the Directions as specified by RBI) are also made as per guidelines prescribed by the Board of Directors.

#### **Employee Retirement Benefits**

##### **(a) Post Employment Benefits and Other Long Term Benefits:**

###### **Defined Contribution Plan:**

The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute/ Rules.

###### **Defined Benefit Plans:**

In respect of gratuity, provision is made based upon the actuarial valuation done at the end of every financial year using "Projected unit Credit Method". Major drivers in actuarial assumption, typically, are years of services and employees compensation. Gains and losses on changes in actuarial assumption are charged to the statement of profit and loss.

##### **(b) Short term employee benefits:**

Short term employee benefits are recognized as expense at the undiscounted amount in the statement of profit and loss of the year in which the related services are rendered.

#### **Borrowing costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **Taxes on income**

Tax expense comprises both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period. Deferred tax represents effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of existence of carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that deferred tax assets can be realised against future taxable profits.

#### **Provisions and contingencies**

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.



**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

Note No.	As at 31.03.2015	
	Rupees	Rupees
<b>2 SHARE CAPITAL</b>		
<b>Authorised</b>		
1,100,000,000 Equity Shares of Rs.10/- each	11,000,000,000	11,000,000,000
100,000,000 Preference Shares of Rs.10/- each	1,000,000,000	1,000,000,000
<b>TOTAL</b>	<b>12,000,000,000</b>	<b>12,000,000,000</b>
<b>Issued, Subscribed and Paid-up</b>		
544,500,000 equity shares of Rs.10/- each fully paid up	5,445,000,000	5,445,000,000
<b>TOTAL</b>	<b>5,445,000,000</b>	<b>5,445,000,000</b>
<b>2.1</b> The Company has issued only one class of shares i.e. equity. The equity shareholders are entitled to dividend as and when dividend is declared and approved by the shareholders. The dividend proposed for the year is Re. 1/- per share (Previous year Re. 1/- per share).		
<b>2.2 Reconciliation of number of shares:</b>	<b>Number of shares</b>	
At the beginning of the year	544,500,000	544,500,000
At the end of the year	544,500,000	544,500,000
<b>2.3 Details of Shareholding in excess of 5%:</b>		
<b>Names of the Shareholders</b>	<b>Number of shares &amp; % of holding</b>	
JM Financial Limited and its nominees (5 shares held by nominees)	490,050,000 90.00%	490,050,000 90.00%
JM Financial Group Employees' Welfare Trust	8,227,850 1.52%	54,450,000 10.00%
<b>3 RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
As per last balance sheet	382,252,000	382,252,000
<b>Statutory Reserve</b>		
(under section 45-IC of The Reserve Bank of India Act, 1934)		
As per last balance sheet	1,592,900,000	1,212,900,000
Add : Transfer from the Statement of Profit and Loss	340,000,000	380,000,000
	1,932,900,000	1,592,900,000
<b>Capital Redemption Reserve</b>		
As per last balance sheet	1,000	1,000
<b>Balance in the Statement of Profit and Loss</b>		
As per last balance sheet	3,560,428,299	2,713,056,279
Profit for the year	1,674,344,224	1,882,904,259
Proposed dividend	(498,277,850)	(544,500,000)
Corporate dividend tax	(101,437,646)	(110,847,388)
Transferred to statutory reserve	(340,000,000)	(380,000,000)
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with 'Nil' remaining useful life (net of deferred tax)		(184,851)
	4,295,057,027	3,560,428,299
<b>TOTAL</b>	<b>6,610,210,027</b>	<b>5,535,581,299</b>





**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

Note No.	As at	
	Rupees	31.03.2015 Rupees
<b>4 LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Term Loan from a Bank (Refer note 4.1)	2,000,000,000	666,666,665
Less: Current maturities of Term loans from Banks	-	(666,666,665)
	<u>2,000,000,000</u>	<u>-</u>
Non-Convertible Debentures (Refer note 4.2 and 4.3)	2,563,000,000	3,515,000,000
Less: Current maturities of Non-Convertible Debentures	(1,554,000,000)	(2,410,000,000)
	<u>1,009,000,000</u>	<u>1,105,000,000</u>
Finance lease obligations (Refer note 4.4 and 28)	12,309,539	5,575,679
Less: Current maturities of Finance Lease Obligations	(4,968,727)	(3,645,839)
	<u>7,340,812</u>	<u>1,929,840</u>
<b>Unsecured</b>		
<b>Other loans and advances</b>		
Inter Corporate Deposits (Refer note 4.5)	1,600,000,000	-
<b>TOTAL</b>	<b><u>4,616,340,812</u></b>	<b><u>1,106,929,840</u></b>

**4.1 Term Loan from a Bank :**

a) Term Loan is secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company.

b) Maturity profile and rate of interest of Term Loan:

Maturity profile	Rate of interest	Current Year	Previous Year
2017-18	10.10%	200,000,000	-
2018-19	10.10%	1,800,000,000	-
		<u>2,000,000,000</u>	<u>-</u>

**4.2 Non-Convertible Debentures :**

a) Rs.2,563,000,000/- (Previous year Rs.2,885,000,000/-) are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.

b) Rs.Nil (Previous year Rs.630,000,000/-) are secured by way of hypothecation on certain identified loan fund balances of the Company.

**4.3 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD) face value of Rs. 1,000,000/- each:**

Particulars	Non Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
0.00% NCD redeemable in year 2016-17 **	-	-	499,000,000	-
0.00% NCD redeemable in year 2017-18 **	400,000,000	-	-	-
0.00% NCD redeemable in year 2018-19 **	30,000,000	-	-	-
0.00% NCD redeemable in year 2019-20 **	79,000,000	-	-	-
9.40% NCD redeemable in year 2016-17	-	-	55,000,000	-
9.55% NCD redeemable in year 2017-18	500,000,000	-	-	-
11.38% NCD redeemable in year 2016-17	-	1,000,000,000	1,000,000,000	-
0.00% NCD redeemable in year 2015-16 **	-	-	-	990,000,000
0.00% NCD redeemable in year 2015-16 *	-	-	-	920,000,000
0.00% NCD redeemable in year 2016-17 **	-	50,000,000	-	-
9.55% NCD redeemable in year 2016-17	-	55,000,000	-	-
11.40% NCD redeemable in year 2015-16	-	-	-	500,000,000
<b>Total</b>	<b><u>1,009,000,000</u></b>	<b><u>1,105,000,000</u></b>	<b><u>1,554,000,000</u></b>	<b><u>2,410,000,000</u></b>

\* issued at discount

\*\* Redeemable at premium

4.4 Finance lease obligations are secured by way of hypothecation of vehicles.

**4.5 Maturity profile and rate of interest of Inter Corporate Deposits:**

Maturity profile	Rate of interest	Current Year	Previous Year
2017-18	10.50%	1,600,000,000	-



**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

Note No.	Rupees	As at 31.03.2015 Rupees
<b>5 LONG TERM PROVISIONS</b>		
For Standard Assets (Refer note 35)	262,695,518	262,695,518
<b>For employee benefits:</b>		
Gratuity (Refer note 26)	7,647,937	7,771,092
<b>TOTAL</b>	<b>270,343,455</b>	<b>270,466,610</b>
<b>6 SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Short Term Loan from a Bank (Refer note 6.1)	1,000,000,000	-
<b>Loans repayable on demand</b>		
<b>From banks</b>		
Cash credit facilities (Refer note 6.1)	402,499,828	-
Overdraft accounts (Refer note 6.2)	-	24,338,124
<b>Other loans and advances</b>		
CBLO borrowings (Refer note 6.3)	2,430,000,000	2,750,000,000
Less: Unamortised interest on CBLO	(1,439,232)	(3,560,165)
	2,428,560,768	2,746,439,835
<b>Unsecured</b>		
<b>Other loans and advances</b>		
Commercial paper (Refer note 6.4 and 6.5)	19,575,000,000	26,155,000,000
Less: Unamortised interest on commercial paper	(635,576,192)	(803,749,518)
	18,939,423,808	25,351,250,482
Inter Corporate Deposits	750,000,000	750,000,000
<b>TOTAL</b>	<b>23,520,484,404</b>	<b>28,872,028,441</b>

**6.1** Short term loan and Cash credit facilities from banks are secured by way of hypothecation on certain identified loan fund balances of the Company.

**6.2** Secured against fixed deposits pledged with the banks.

**6.3** Secured against government securities pledged with the Clearing Corporation of India Limited (CCIL).

**6.4** The maximum amount of commercial paper outstanding at any time during the year was Rs.61,665,000,000/- (Previous year Rs.45,235,000,000/-).

**6.5** Interest rate of commercial paper issued during the year range from 7.75% to 10.50% p.a.

**7** There are no dues payable to Micro and Small Enterprises, based on the information available with the Company, and therefore disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are not applicable.



**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

Note No.	Rupees	As at 31.03.2015 Rupees
<b>8 OTHER CURRENT LIABILITIES</b>		
<b>Current maturities of long term borrowings:</b>		
-Term Loan from Bank (Refer note 4)	-	666,666,665
-Non-Convertible Debentures (Refer note 4)	1,554,000,000	2,410,000,000
Less: Unamortised discount on non convertible debentures	-	(27,376,478)
	<u>1,554,000,000</u>	<u>2,382,623,522</u>
-Finance Lease Obligations (Refer note 4 and 28)	4,968,727	3,645,839
Interest accrued but not due on borrowings	103,208,216	199,872,839
Income received in advance	17,116,942	-
Employee benefits payable	150,776,144	187,837,884
Statutory dues	13,467,427	6,637,760
Directors' commission payable	2,100,000	2,200,000
<b>TOTAL</b>	<u><b>1,845,637,456</b></u>	<u><b>3,449,484,509</b></u>
<b>9 SHORT TERM PROVISIONS</b>		
For Proposed dividend	498,277,850	544,500,000
For Corporate dividend tax	101,437,646	110,847,388
For Taxation (net of advance tax)	49,525,604	41,747,742
For doubtful loans	86,154,912	89,158,627
<b>For employee benefits:</b>		
-Compensated absences	3,857,546	4,335,067
-Gratuity (Refer note 26)	672,736	1,486,253
<b>TOTAL</b>	<u><b>739,926,294</b></u>	<u><b>792,075,077</b></u>



**JM FINANCIAL PRODUCTS LIMITED**  
Notes to the financial statements

**Note No. 10**

**FIXED ASSETS**

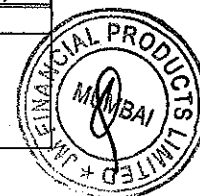
Description of Assets	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION					NET BLOCK
	As at	Additions	Deductions /	As at	Up to	For the	Transition	Deductions /	Up to	As at
	01.04.2015		Adjustments	31.03.2016	01.04.2015	year	adjustment	Adjustments	31.03.2016	31.03.2016
<b>Rupees</b>										
<b>TANGIBLE ASSETS</b>										
<b>Own Assets</b>										
Freehold Land (Refer note 10.1)	2,146,300	-	-	2,146,300	-	-	-	-	-	2,146,300
Furniture and Fixtures	4,226,648	53,308	-	4,279,956	947,467	385,658	-	-	1,333,125	2,946,831
Computers	4,689,694	1,466,251	327,188	5,828,757	2,252,953	1,136,840	-	179,255	3,210,538	2,618,219
Office Equipment	1,432,893	188,719	-	1,621,612	452,436	299,212	-	-	751,648	869,964
Leasehold Improvements	18,059,215	-	-	18,059,215	6,272,754	4,392,911	-	-	10,665,665	7,393,550
<b>Leased Assets</b>										
Vehicles (Refer note 10.2)	13,390,036	15,513,106	13,390,036	15,513,106	8,671,160	4,773,861	-	9,454,626	3,990,395	11,522,711
<b>TOTAL</b>	<b>43,944,786</b>	<b>17,221,384</b>	<b>13,717,224</b>	<b>47,448,946</b>	<b>18,596,770</b>	<b>10,988,482</b>	<b>-</b>	<b>9,633,881</b>	<b>19,951,371</b>	<b>27,497,575</b>
<b>INTANGIBLE ASSETS</b>										
Software	28,945,212	2,158,065	-	31,103,277	15,695,820	4,467,256	-	-	20,163,076	10,940,201
<b>TOTAL</b>	<b>28,945,212</b>	<b>2,158,065</b>	<b>-</b>	<b>31,103,277</b>	<b>15,695,820</b>	<b>4,467,256</b>	<b>-</b>	<b>-</b>	<b>20,163,076</b>	<b>10,940,201</b>

**Previous Year**

Description of Assets	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION					NET BLOCK
	As at	Additions	Deductions /	As at	Up to	For the	Transition	Deductions /	Up to	As at
	01.04.2014		Adjustments	31.03.2015	01.04.2014	year	adjustment	Adjustments	31.03.2015	31.03.2015
<b>Rupees</b>										
<b>TANGIBLE ASSETS</b>										
<b>Own Assets</b>										
Freehold Land (Refer note 10.1)	2,146,300	-	-	2,146,300	-	-	-	-	-	2,146,300
Furniture and Fixtures	4,226,082	178,066	177,500	4,226,648	606,743	387,189	-	46,465	947,467	3,279,181
Computers	2,920,960	2,835,342	1,066,608	4,689,694	1,529,393	1,123,404	280,035	679,879	2,252,953	2,436,741
Office Equipment	1,432,893	-	-	1,432,893	164,796	287,640	-	-	452,436	980,457
Leasehold Improvements	16,295,768	1,763,447	-	18,059,215	2,061,981	4,210,773	-	-	6,272,754	11,786,461
<b>Leased Assets</b>										
Vehicles (Refer note 10.2)	17,730,165	-	4,340,129	13,390,036	9,062,831	3,536,267	-	3,927,938	8,671,160	4,718,876
<b>TOTAL</b>	<b>44,752,168</b>	<b>4,776,855</b>	<b>5,584,237</b>	<b>43,944,786</b>	<b>13,425,744</b>	<b>9,545,273</b>	<b>280,035</b>	<b>4,654,282</b>	<b>18,596,770</b>	<b>25,348,016</b>
<b>INTANGIBLE ASSETS</b>										
Software	24,537,413	4,407,799	-	28,945,212	11,294,952	4,400,868	-	-	15,695,820	13,249,392
<b>TOTAL</b>	<b>24,537,413</b>	<b>4,407,799</b>	<b>-</b>	<b>28,945,212</b>	<b>11,294,952</b>	<b>4,400,868</b>	<b>-</b>	<b>-</b>	<b>15,695,820</b>	<b>13,249,392</b>

10.1 - Mortgaged as security against secured non-Convertible Debentures.(Refer note 4.2)

10.2 - Vendors have a lien over assets taken on lease.



JM FINANCIAL PRODUCTS LIMITED					
Notes to the financial statements					
		As at 31.03.2015			
		Nos./ Units	Rupees	Nos./ Units	Rupees
<b>11 NON-CURRENT INVESTMENTS</b>					
<b>(Non Trade, fully paid up)</b>					
<b>a) Equity Shares</b>					
<b><u>In Subsidiaries (unquoted)</u></b>					
JM Financial Services Limited of Rs. 10/- each				45,500,000	950,000,000
<b><u>In Others (quoted)</u></b>					
HCL Technologies Ltd of Rs. 2/- each		30,000	30,339,333	30,000	30,339,333
<b>b) Preference Shares</b>					
<b><u>In Others (unquoted)</u></b>					
10% Participating non-cumulative redeemable preference shares of JM Financial Properties & Holdings Limited of Rs. 10/- each		95,050,000	950,500,000	95,050,000	950,500,000
		<b>TOTAL</b>	<b>980,839,333</b>		<b>1,930,839,333</b>
<b>11.1 Aggregate cost of:</b>					
Quoted Investments			30,339,333		30,339,333
Unquoted Investments			950,500,000		1,900,500,000
		Total	980,839,333		1,930,839,333
<b>11.2 Market Value of quoted Investments</b>					
			24,423,000		29,412,000
<b>12 DEFERRED TAX ASSETS (NET)</b>					
Difference between books and tax written down value of fixed assets				3,941,031	3,110,806
Provision for standard assets				90,913,665	90,913,665
Provision for doubtful loans				29,816,492	30,856,018
Disallowances under section 43B of the Income Tax Act, 1961				13,619,362	22,298,401
		<b>TOTAL</b>		<b>138,290,550</b>	<b>147,178,890</b>



**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

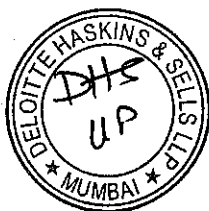
Note No.	Rupees	As at 31.03.2015 Rupees
<b>13 LONG TERM LOANS AND ADVANCES</b> (Unsecured unless otherwise stated and considered good)		
Loan funds (Secured)	11,275,417,600	8,728,769,212
Unsecured	-	1,400,000,000
	<u>11,275,417,600</u>	<u>10,128,769,212</u>
Advance tax (net of provision for tax)	173,742,078	162,323,631
Security deposits	62,568,600	62,558,600
Capital advances	8,374,883	976,859
Staff loans	137,053	74,625
<b>TOTAL</b>	<u><b>11,520,240,214</b></u>	<u><b>10,354,702,927</b></u>
<b>14 CURRENT INVESTMENTS</b> (Quoted)		
<b>Mutual Funds Units of Rs.10/- each, Fully Paid-Up</b>		
Nil (Previous Year 112,376.213) JM High Liquidity Fund (Growth Option)	-	4,292,041
(Unquoted)		
<b>Security Receipts of Rs. 1,000/- each, Fully paid-Up</b>		
200,000 (Previous Year Nil) Class A Security Receipts (Face value partly redeemed)	70,199,932	-
<b>TOTAL</b>	<u><b>70,199,932</b></u>	<u><b>4,292,041</b></u>
<b>14.1 Aggregate cost of:</b>		
Quoted investments	-	4,292,041
Unquoted investments	70,199,932	-
<b>Total</b>	<u><b>70,199,932</b></u>	<u><b>4,292,041</b></u>
<b>14.2 Market Value of quoted Investments</b>		4,296,064
<b>15 STOCK-IN-TRADE</b>		
Debt instruments	2,568,941,562	3,590,075,769
<b>TOTAL</b>	<u><b>2,568,941,562</b></u>	<u><b>3,590,075,769</b></u>
<b>15.1</b> Debt instruments includes interest accrued of Rs.30,032,811/- (Previous year Rs.80,105,768/-).		
<b>15.2</b> Debt instruments of bodies corporate lying in stock-in-trade at the year end are as follows:		
<u>Quoted</u>		
980 (Previous year 980) 18% Marvel Omega Builders Private Limited 2015 - NCD	2,011,505	626,482,991
<b>15.3</b> Aggregate book value of quoted stock in trade is Rs.2,538,908,751/- (Previous year Rs.3,509,970,001/-) and market value thereof is Rs.2,542,742,500/- (Previous year Rs.3,601,495,001/-).		
<b>15.4</b> Aggregate provision for mark to market loss in value of stock in trade is Rs. 19,550,000/- (Previous year Rs.Nil/-).		



**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

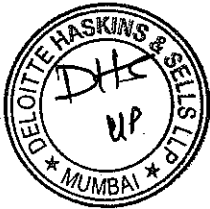
Note No.		As at 31.03.2015 Rupees	As at 31.03.2015 Rupees
<b>16 CASH AND BANK BALANCES</b>			
	<b>Cash and cash equivalents</b>		
	<b>Balances with banks</b>		
	- in current accounts	244,335,080	6,799,027
	- in deposit accounts	6,152,000,000	47,500,000
		<u>6,396,335,080</u>	<u>54,299,027</u>
	<b>Other bank balances</b>		
	In deposit accounts under lien against which overdraft facilities are availed (Refe note 16.1)	600,000,000	3,770,000,000
	<b>TOTAL</b>	<u><b>6,996,335,080</b></u>	<u><b>3,824,299,027</b></u>
<b>16.1</b>	Deposit accounts under lien of Rs. 600,000,000/-, (Previous year Rs. 3,770,000,000/-) against which overdraft facilities remained outstanding as at the year end of Rs. Nil (Previous year Rs. 24,338,124/-).		
<b>17 SHORT TERMS LOANS AND ADVANCES</b>			
	(Unsecured unless otherwise stated)		
	<b>Loan funds:</b>		
	Secured	16,619,668,820	25,264,013,865
	Unsecured	3,534,035,432	39,892,115
		<u>20,153,704,252</u>	<u>25,303,905,980</u>
	Accrued interest on loan funds	166,821,257	249,913,915
	Others*	71,558,107	7,294,889
	<b>TOTAL</b>	<u><b>20,392,083,616</b></u>	<u><b>25,561,114,784</b></u>
	* includes prepaid expenses, service tax input credit receivable etc.		
<b>18 OTHER CURRENT ASSETS</b>			
	Accrued interest on deposits with banks	4,287,248	38,801,387
	Redemption proceeds receivable from Mutual Fund	384,890,828	-
	<b>TOTAL</b>	<u><b>389,178,076</b></u>	<u><b>38,801,387</b></u>





**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

Note No.	Rupees	Previous Year Rupees
<b>19 REVENUE FROM OPERATIONS</b>		
Income from funding activities	4,639,034,007	5,402,868,123
Income from trading in debt instruments (net)	316,742,830	845,128,197
Interest on debentures	-	16,285,244
Advisory and other fees	322,616,274	317,308,543
<b>TOTAL</b>	<b>5,278,393,111</b>	<b>6,581,590,107</b>
<b>20 OTHER INCOME</b>		
<u>Interest on:</u>		
- Fixed deposits with banks	66,185,019	260,005,015
- Others	5,987,917	41,087
	72,172,936	260,046,102
<u>Dividend on investments</u>		
- Current	209,725,301	15,239,255
- Long Term	600,000	84
	210,325,301	15,239,339
<u>Profit on sale of investments:</u>		
- Current (net)	27,835,298	31,916,229
- Long Term	-	132,680,206
	27,835,298	164,596,435
Provision for bonus written back	2,300,000	1,237,500
Provision for doubtful loans written back (net)	3,003,715	1,927,378
Miscellaneous Income	543,159	175,214
Profit on Sale of Fixed Assets (net)	253,941	-
<b>TOTAL</b>	<b>316,434,350</b>	<b>443,221,968</b>



**JM FINANCIAL PRODUCTS LIMITED**  
Notes to the financial statements

Note No.	Rupees	Previous Year Rupees
<b>21 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, bonus, other allowances and benefits (net of recoveries of Rs. 66,000,000/-, Previous year Rs. Nil)	149,138,857	264,119,105
Contribution to provident and other funds (Refer note 26)	4,609,360	6,535,603
Gratuity (Refer note 26)	1,905,917	1,946,322
Staff welfare expenses	704,980	696,868
<b>TOTAL</b>	<b>156,359,114</b>	<b>273,297,898</b>
<b>22 FINANCE COSTS</b>		
Interest on fixed loans	2,721,150,596	3,640,661,292
Interest on bank overdraft	23,745,920	90,781,221
Interest on others	4,740,902	1,906,815
<b>TOTAL</b>	<b>2,749,637,418</b>	<b>3,733,349,328</b>
<b>23 OPERATING AND OTHER EXPENSES</b>		
Professional and consultancy charges	23,665,033	29,573,523
Space and other related costs (Refer note 28) (net of recoveries of Rs. 619,344/-, Previous year Rs. 464,508/-)	53,808,948	62,019,994
Rates and taxes	32,964,104	32,769,821
Membership and subscription	5,369,512	7,659,716
Manpower cost	4,714,433	3,374,748
Auditors' remuneration (Refer note 25)	2,275,145	1,999,819
Electricity	3,490,812	4,023,482
Communication expenses	934,078	1,313,781
Travelling and conveyance	3,660,523	3,902,777
Insurance	1,852,689	2,175,771
Printing and stationery	494,376	641,082
Repairs and maintenance - others	4,924,653	6,499,415
Loss on fixed assets sold / discarded (net)	-	128,935
Loan funds written off	-	1,927,378
Provision for doubtful loans (net)	-	23,241,210
Donations	52,800,000	38,700,000
Directors' commission	2,235,960	2,329,780
Sitting fees to directors	1,297,836	1,327,250
Miscellaneous expenses	10,028,335	8,473,811
<b>TOTAL</b>	<b>204,516,437</b>	<b>232,082,293</b>



**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

	Rupees	Previous year Rupees
<b>24 Contingent Liabilities and commitments</b>		
(a) Contingent Liabilities not provided for in respect of: Estimated liability on account of disallowance u/s 14A of Income Tax Act 1961, for AY 2010-11 for which appeal is pending before Income Tax Appellate Tribunal (ITAT). The Company is hopeful in succeeding in the aforesaid matters.	3,047,252	-
(b) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for	6,206,410	770,000
<b>25 Payment to Auditors': (Excluding service tax)</b>		
Audit Fees	1,690,000	790,000
In any other manner (Certifications, limited reviews, etc.)	555,000	1,185,000
Out of pocket expenses	30,145	24,819
<b>TOTAL</b>	<b>2,275,145</b>	<b>1,999,819</b>

**26 Employee Benefits:**

**Short-term employee benefits:**

The Company provides for accumulated compensated absences as at balance sheet date using full cost method to the extent leave will be utilised. The charge for the current year is disclosed under Salaries and Bonus.

**Defined Contribution Plan:**

Contributions are made to Government Provident Fund and Family Pension Fund which covers all regular employees. While both the employees and the Company make predetermined contributions to the provident fund, contribution to the family pension fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans, aggregate Rs. 4,605,664/- (Previous year Rs.6,531,475/-).

	Rupees	Previous year Rupees			
<b>Defined Benefit Plan: [Gratuity (Unfunded)]</b>					
<b>I. Reconciliation of liability recognised in the Balance Sheet</b>					
Fair value of plan assets as at the end of the year	-	-			
Present value of obligation as at the end of the year	8,320,673	9,257,345			
<b>Net liability in the Balance Sheet</b>	<b>8,320,673</b>	<b>9,257,345</b>			
<b>II. Movement in net liability recognised in the Balance Sheet</b>					
Net liability as at the beginning of the year	9,257,345	9,696,554			
Net expense recognised in the statement of profit and loss	1,905,917	1,946,322			
Liabilities Assumed on Acquisition / (Settled on Divestiture)	(1,309,348)	(1,863,206)			
Payments during the year	(1,533,241)	(522,325)			
<b>Net liability as at the end of the year</b>	<b>8,320,673</b>	<b>9,257,345</b>			
<b>III. Expense recognised in the statement of profit and loss (Under the head employee benefit expenses)</b>					
Current Service Cost	683,187	686,807			
Interest Cost	735,792	865,797			
Past Service Cost	-	-			
Actuarial Losses/ (Gains)	486,938	393,718			
<b>Expenses charged to statement of profit and loss</b>	<b>1,905,917</b>	<b>1,946,322</b>			
<b>IV. Reconciliation of defined benefit commitments</b>					
Commitments at the beginning of the year	9,257,345	9,696,554			
Current Service Cost	683,187	686,807			
Interest Cost	735,792	865,797			
Past Service Cost	-	-			
Actuarial Losses/ (Gains)	486,938	393,718			
Liabilities Assumed on Acquisition / (Settled on Divestiture)	(1,309,348)	(1,863,206)			
Benefits Paid	(1,533,241)	(522,325)			
<b>Commitments at the year end</b>	<b>8,320,673</b>	<b>9,257,345</b>			
<b>V. Experience Adjustments</b>					
	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16
Defined Benefit Obligation	5,011,877	8,984,917	9,696,554	9,257,345	8,320,673
Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	(5,011,877)	(8,984,917)	(9,696,554)	(9,257,345)	(8,320,673)
Experience Adj. on Plan Liabilities	138,707	(152,986)	370,110	(329,640)	453,939
Experience Adj. on Plan Assets	-	-	-	-	-



**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

<b>VI. Actuarial Assumptions</b>		<b>Previous year</b>
Mortality table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount rate (per annum)	7.95%	8.00%
Rate of escalation in salary (per annum)	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**27 Related Party Disclosure:**

**Names of related parties and description of Relationship**

**(i) Names of related parties and description of relationship where control exists**

**Holding Company**  
JM Financial Limited

**Subsidiaries**  
JM Financial Services Limited (Upto June 18, 2015)  
JM Financial Commtrade Limited (Downstream subsidiary - upto June 18, 2015)  
Astute Investments (Downstream subsidiary-partnership firm - upto June 18, 2015)

**(ii) Names of related parties and description of relationship where transactions have taken place**

**(A) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprises.**

**Holding Company**  
JM Financial Limited

**Subsidiaries**  
JM Financial Services Limited  
Astute Investments

**Fellow Subsidiaries**  
JM Financial Services Limited (with effect from June 19, 2015)  
JM Financial Commtrade Limited (with effect from June 19, 2015)  
Astute Investments (partnership firm - with effect from June 19, 2015)  
JM Financial Properties & Holdings Limited  
CR Retail Malls (India) Limited  
JM Financial Investment Managers Limited  
JM Financial Institutional Securities Limited  
Infinite India Investment Management Limited  
JM Financial Credit Solutions Limited

**(B) Key Management Personnel and relatives of such Personnel:**

Mr. Vishal Kampani  
Mr. V.P. Shetty (Upto March 31, 2015)

**(C) Enterprises over which any person described in (B) is able to exercise significant influence:**

J.M. Financial & Investment Consultancy Services Private Limited  
JM Financial Asset Reconstruction Company Private Limited (Upto March 31, 2015)



## JM FINANCIAL PRODUCTS LIMITED

## Notes to the financial statements

## (iii) Details of transactions with related parties

Name of the related party	Nature of relationship	Rupees	Previous year
			Rupees
<b>JM Financial Limited</b>	(A)		
Dividend paid		490,050,000	147,015,000
Reimbursement of employees expenses		7,687,720	12,774,923
Inter Corporate Deposits taken		-	450,000,000
Inter Corporate Deposits repaid		-	450,000,000
Interest expenses on Inter Corporate Deposits taken		-	137,466
Transfer of vehicle loan		3,047,119	-
Transfer of vehicle		2,659,158	-
Purchase of preference shares of JM Financial Properties & Holdings Ltd		-	950,500,000
Sale of equity shares of JM Financial Services Ltd		950,000,000	-
<b>JM Financial Services Limited (upto June 18, 2015)</b>	(A)		
Inter Corporate Deposits given		1,400,000,000	770,000,000
Inter Corporate Deposits repaid		1,400,000,000	770,000,000
Interest income on Inter Corporate Deposits given		951,233	1,003,562
Brokerage paid		-	179,753
Gratuity liability received on transfer of employees		-	43,062
Gratuity liability paid on transfer of employees		-	157,656
Closing balance as at the year end - (credit)		-	139,482
<b>JM Financial Services Limited (with effect from June 19, 2015)</b>	(A)		
Inter Corporate Deposits given		900,000,000	-
Inter Corporate Deposits repaid		900,000,000	-
Interest income on Inter Corporate Deposits given		1,570,685	-
<b>JM Financial Properties &amp; Holdings Limited</b>	(A)		
Inter Corporate Deposits given		-	100,000,000
Inter Corporate Deposits repaid		-	100,000,000
Interest income on Inter Corporate Deposits given		-	1,705,343
Space & other related cost paid		36,761,760	42,516,800
Reimbursement of expenses (paid)		6,202,206	7,720,935
Reimbursement of expenses (received)		-	8,330
Transfer of gratuity liability paid		-	27,241
Security Deposits refunded		-	12,845,000
Closing balance as at the year end - Security Deposit given - debit		51,735,000	51,735,000
Closing balance as at the year end - Transfer of gratuity liability - (credit)		-	27,241
<b>JM Financial Institutional Securities Limited</b>	(A)		
Inter Corporate Deposits given		300,000,000	-
Inter Corporate Deposits repaid		300,000,000	-
Interest income on Inter Corporate Deposits given		85,164	-
Reimbursement of expenses (paid)		142,300	6,580,097
Gratuity liability received on transfer of employees		-	46,658
<b>JM Financial Investment Managers Limited</b>	(A)		
Inter Corporate Deposits given		74,000,000	160,000,000
Inter Corporate Deposits repaid		49,000,000	160,000,000
Interest income on Inter Corporate Deposits given		2,713,793	3,464,157
Closing Balance as at the year end - ICD given - debit		25,000,000	-
<b>Astute Investments (upto June 18, 2015)</b>	(A)		
Recovery of rent expenses		132,717	464,508
<b>Astute Investments (with effect from June 19, 2015)</b>	(A)		
Recovery of rent expenses		486,627	-
Loan Given		342,700,000	-
Loan repaid		342,700,000	-
Interest income on loan give		336,564	-
<b>Infinite India Investment Management Limited</b>	(A)		
Gratuity liability received on transfer of employees		-	77,672



**JM FINANCIAL PRODUCTS LIMITED**  
Notes to the financial statements

Name of the related party	Nature of relationship	Rupees	Previous year
			Rupees
<b>JM Financial Credit Solutions Limited</b>	(A)		
Inter Corporate Deposits taken		-	2,895,000,000
Inter Corporate Deposits repaid		-	2,895,000,000
Inter Corporate Deposits given		2,505,000,000	4,131,000,000
Inter Corporate Deposits repaid		2,505,000,000	4,131,000,000
Interest income on Inter Corporate Deposits given		11,081,406	7,134,014
Interest expenses on Inter Corporate Deposits taken		-	3,066,945
Transfer of gratuity liability paid		-	1,845,071
Transfer of vehicle loan		-	218,807
Sale of fixed assets		-	559,560
Recovery of expenses/support service charges		66,024,893	693,297
Closing balance as at the year end - debit		68,970,000	-
<b>CR Retail Malls (India) Limited</b>	(A)		
Inter Corporate Deposits given		350,000,000	92,500,000
Inter Corporate Deposits repaid		350,000,000	192,500,000
Interest income on Inter Corporate Deposits given		4,538,302	11,471,059
<b>JM Financial Commtrade Limited (with effect from June 19, 2015)</b>	(A)		
Inter Corporate Deposits given		100,000,000	-
Inter Corporate Deposits repaid		100,000,000	-
Interest income on Inter Corporate Deposits given		668,521	-
<b>Mr. Vishal Kampani</b>	(B)		
Managerial remuneration		85,000,000	70,000,000
Closing Balance as at the year end - (credit)		(75,000,000)	(60,000,000)
<b>Mr. V.P. Shetty (upto March 31, 2015)</b>	(B)		
Managerial remuneration		-	27,500,000
Closing Balance as at the year end - (credit)		-	(17,500,000)
<b>J. M. Financial &amp; Investment Consultancy Services Private Limited</b>	(C)		
Transfer out of fixed assets		1,782,192	-
Transfer out of vehicle loan		2,164,626	-
<b>JM Financial Asset Reconstruction Company Private Limited (upto March 31, 2015)</b>	(C)		
Inter Corporate Deposits given		-	3,500,000,000
Inter Corporate Deposits repaid		-	4,000,000,000
Interest income on Inter Corporate Deposits given		-	39,963,429

- 27.1 There are no provision for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.  
27.2 Managerial remuneration excludes provision for gratuity as the incremental liability has been accounted for by the Company as a whole.  
27.3 The transactions disclosed above are exclusive of service tax.



**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**28 Lease Transactions:**

**Finance leases**

The Company has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year end are as under:

	Total Minimum Lease Payments outstanding as at the year end	Interest expenses	Present value of the minimum lease payments
Due	Rupees	Rupees	Rupees
Not later than one year	7,169,675	2,200,948	4,968,727
	(4,745,084)	(1,099,245)	(3,645,839)
Later than one year and not later than five years	9,402,245	2,061,433	7,340,812
	(2,216,164)	(286,324)	(1,929,840)
Later than five years	-	-	-
	(-)	(-)	(-)
<b>TOTAL</b>	<b>16,571,920</b>	<b>4,262,381</b>	<b>12,309,539</b>
	(6,961,248)	(1,385,569)	(5,575,679)

Figures in brackets are for previous year.

**Operating leases**

The Company has taken certain premises on non-cancellable operating lease basis. The tenure of such agreements ranges from 42 months to 60 months.

The minimum lease rentals outstanding in respect of these are as under:

	Total Minimum Lease Payments outstanding as at 31st March, 2016	Total Minimum Lease Payments outstanding as at 31st March, 2015
Due	Rupees	Rupees
Not later than one year	43,661,760	43,661,760
Later than one year and not later than five years	111,607,780	174,592,670
Later than five years	-	-
<b>TOTAL</b>	<b>155,269,540</b>	<b>218,254,430</b>

Lease payments recognised in the Statement of Profit and Loss for the year are Rs. 46,235,104/- (Previous year Rs.54,444,336/-).

The Company has taken certain assets (Premises and Furniture and Fixtures) on cancellable operating lease for the period of 60 months. Lease payments recognised in the Statement of Profit and Loss for the year in respect thereof aggregate Rs. 8,193,188/- (Previous year Rs. 8,040,166/-).

**29 Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:**

Particulars	Previous year	
	Rupees	Rupees
Profit after tax (Rupees)	1,674,344,224	1,882,904,259
Profit attributable to equity shareholders (Rupees)	1,674,344,224	1,882,904,259
Weighted average number of shares outstanding during the year	544,500,000	544,500,000
Basic and Diluted Earnings per share (Rupees)	3.08	3.46
Nominal value per share (Rupees)	10.00	10.00

**30 Expenditure in Foreign Currency:**

Particulars	Previous year	
	Rupees	Rupees
Subscription fees	-	168,958
Travelling expenses	82,201	-





**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**31 Segment Information:**

(a) Primary Segment of the Company is business segment. Segments have been identified and reported taking into account the nature of services, the differing risks and returns and the internal reporting structure. The Company has identified two business segments:

- Fund Based Activities: This includes Margin Funding, Initial Public Offering Funding, Loan Against Shares, Wholesale loans etc.
- Trading in Debt Securities: This includes purchase and sale of debt securities and related interest income thereon.

(b) Revenues and expenses have been identified to a segment on the basis of relationships to operating activities of the segment. Revenue and expenses which relates to Company as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "unallocable".

Investments, tax related / other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as "unallocable".

**(c) Segment information for primary segment reporting (by Business Segment):**

Particulars	Funding based activities	Trading in Debt Securities	Total
Segment Revenue	4,961,650,281 <i>5,736,461,910</i>	316,742,830 <i>845,128,197</i>	5,278,393,111 <i>6,581,590,107</i>
Segment Results before unallocated interest and taxes	2,136,873,803 <i>2,133,719,428</i>	71,884,397 <i>237,552,049</i>	2,208,758,200 <i>2,371,271,477</i>
Unallocable Corporate Income/(Expenses) (Net)			260,100,554 <i>400,564,938</i>
Profit before Tax			2,468,858,754 <i>2,772,136,415</i>
Tax Expense			794,514,530 <i>889,232,156</i>
Net Profit after Tax			1,674,344,224 <i>1,882,904,259</i>
<b>Other Information:</b>			
Segment Assets	33,556,697,627 <i>36,298,356,846</i>	2,669,848,093 <i>4,124,512,354</i>	36,226,545,719 <i>40,422,869,200</i>
Unallocable Corporate Assets			6,868,000,420 <i>5,067,032,366</i>
Total Assets			43,094,546,139 <i>45,489,901,566</i>
Segment Liabilities	27,795,331,724 <i>30,009,912,405</i>	2,592,663,288 <i>3,800,112,732</i>	30,387,995,012 <i>33,810,025,137</i>
Unallocable Corporate Liabilities			651,341,100 <i>699,295,130</i>
Total Liabilities			31,039,336,112 <i>34,509,320,267</i>
Capital Expenditure	19,379,449 <i>9,184,654</i>	- -	19,379,449 <i>9,184,654</i>
Depreciation/ Amortization	15,233,218 <i>13,443,080</i>	222,520 <i>503,061</i>	15,455,738 <i>13,946,141</i>
Non Cash Expenditure : Provision for doubtful loans (net)			- -
	<i>23,241,210</i>	-	<i>23,241,210</i>

Figures in italics indicates previous year figures.

(d) The Company operates in only one geographical segment and hence no further information is provided.



**JM FINANCIAL PRODUCTS LIMITED**  
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**32 Employee Stock Option Scheme:**

Based on the request made by JM Financial Products Limited ('the Company'), JM Financial Limited, in accordance with Securities And Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company. 523,817 stock options have been granted on April 21, 2011, 745,329 stock options have been granted on April 16, 2012, 724,998 stock options have been granted on May 6, 2013, 947,991 stock option have been granted on April 01, 2014 and 173,991 stock option have been granted on April 16, 2015. The particulars of vesting of the stock options granted to the Employees are given in the below table.

The option shall be eligible for vesting as per following schedule:

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (Rupees)
21st April, 2012	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2013	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2014	Series - IV	174,605	Vested	Seven years from the date of Grant	1
16th April, 2013	Series - V	248,443	Vested	Seven years from the date of Grant	1
16th April, 2014	Series - V	248,443	Vested	Seven years from the date of Grant	1
16th April, 2015	Series - V	248,443	Vested	Seven years from the date of Grant	1
6th May, 2014	Series - VI	241,666	Vested	Seven years from the date of Grant	1
6th May, 2015	Series - VI	241,666	Vested	Seven years from the date of Grant	1
6th May, 2016	Series - VI	241,666	To be vested	Seven years from the date of Grant	1
1st April, 2015	Series - VII	315,997	Vested	Seven years from the date of Grant	1
1st April, 2016	Series - VII	315,997	To be vested	Seven years from the date of Grant	1
1st April, 2017	Series - VII	315,997	To be vested	Seven years from the date of Grant	1
16th April, 2016	Series - VIII	57,997	To be vested	Seven years from the date of Grant	1
16th April, 2017	Series - VIII	57,997	To be vested	Seven years from the date of Grant	1
16th April, 2018	Series - VIII	57,997	To be vested	Seven years from the date of Grant	1

The current status of the stock options granted to the Employees is as under:

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	864,081	1,379,315
Granted during the year	173,991	947,991
Transfer in/ (out) during the year	-	(845,173)
Lapsed/ forfeited during the year	56,787	-
Exercised during the year	412,625	618,052
Outstanding at the end of the year	568,660	864,081
Exercisable at the end of the year	36,311	46,309

The charge on account of the above scheme is included in employee benefits expense aggregating Rs.7,687,720/-(Previous year Rs.12,774,923/-). Since the options are granted by JM Financial Limited, the Holding company, basic and diluted earnings per share of the Company would remain unchanged.

**33 Disclosure required in terms of Regulation 34(3) and 53(f) Of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:**

a) Loans and advances in the nature of loans given to subsidiaries and associates:

Name of the company	Relationship	Rupees	
		Maximum Balance	Closing Balance
JM Financial Services Limited	Subsidiary (upto June 17, 2015)	1,400,000,000	-
	Fellow Subsidiary (w.e.f. June 18, 2015)	(570,000,000)	(-)
JM Financial Investment Managers Limited	Fellow Subsidiary	65,000,000	25,000,000
		(160,000,000)	(-)
JM Financial Institutional Securities Limited	Fellow Subsidiary	300,000,000	-
		(-)	(-)
JM Financial Credit Solutions Limited	Fellow Subsidiary	1,450,000,000	-
		(1,309,000,000)	(-)
JM Financial Properties & Holdings Limited	Fellow Subsidiary	-	-
		(100,000,000)	(-)
JM Financial Comtrade Limited	Fellow Subsidiary	100,000,000	-
		(-)	(-)
Astute Investments	Fellow Subsidiary	250,000,000	-
		(-)	(-)
CR Retail Malls (India) Limited	Fellow Subsidiary	350,000,000	-
		(192,500,000)	(-)
JM Financial Asset Reconstruction Private Limited	Associate of Holding Company	500,000,000	-
		(1,050,000,000)	(-)

Loans and advances shown above are interest bearing, repayable on demand and are utilised for their business purposes. (figures in brackets indicates previous year figures)



**JM FINANCIAL PRODUCTS LIMITED**  
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**34 Corporate Governance and Disclosure Norms for NBFCs:**  
(As stipulated in Annexure 4 of Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15, dated November 10, 2014)

**34.1 Capital Risk Adequacy Ratio (CRAR):**

Particulars	Current year	Previous year
CRAR (%)	30.58%	27.26%
CRAR - Tier I capital (%)	29.92%	26.55%
CRAR - Tier II capital (%)	0.66%	0.70%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt instruments	-	-

**34.2 Exposures:**

	Rupees	Rupees
<b>I Exposure to Real Estate Sector</b>		
<b>a) Direct Exposure</b>		
<b>(i) Residential Mortgages-</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lacs may be shown separately)	350,000,000	-
<b>(ii) Commercial Real Estate*-</b> Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits; * Also includes Commercial Real Estate exposure in Stock-in-Trade.	16,170,809,241	11,354,060,649
<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures-</b>		
a) Residential,	-	-
b) Commercial Real Estate.	-	-
<b>b) Indirect Exposure</b> Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-
<b>II Exposure to Capital Market</b>		
<b>(i)</b> direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	30,339,333	30,339,333
<b>(ii)</b> advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	2,675,968,207	3,454,841,650
<b>(iii)</b> advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	8,688,254,706	20,953,100,692
<b>(iv)</b> advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
<b>(v)</b> secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	26,495,195	3,502,201
<b>(vi)</b> loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
<b>(vii)</b> bridge loans to companies against expected equity flows / issues;	-	-
<b>(viii)</b> all exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total Exposure to Capital Market</b>	11,421,057,441	24,441,783,876
<b>III Details of financing of parent company products</b>	Nil	Nil
<b>IV Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC</b>	Nil	Nil
<b>V Unsecured Advances</b> Amount of advances given against intangible securities	Nil	Nil



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**34.3 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:**

Particulars	(Rupees)								
	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowing from Banks	1,402,499,828 (24,338,124)	- (-)	- (166,666,667)	- (166,666,667)	- (333,333,331)	2,000,000,000 (-)	- (-)	- (-)	3,402,499,828 (691,004,789)
Market Borrowings	4,144,558,776 (8,399,898,728)	5,000,819,211 (7,077,353,905)	5,056,733,598 (3,675,183,384)	5,462,529,207 (4,750,028,328)	4,012,312,511 (7,331,495,333)	2,537,340,812 (1,106,929,840)	79,000,000 -	- (-)	26,293,294,115 (32,340,889,518)
Foreign currency liabilities	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Assets</b>									
Advances	2,964,448,527 (4,523,385,669)	2,307,889,445 (3,671,315,246)	4,706,991,473 (5,017,358,018)	5,121,223,307 (3,948,000,084)	5,299,705,747 (7,921,689,245)	10,800,256,172 (10,019,431,672)	445,976,000 (272,749,724)	203,264,560 (479,329,453)	31,849,755,231 (35,853,259,111)
Deposits	- (-)	- (-)	- (-)	- (-)	- (-)	10,686,100 (10,686,100)	51,735,000 (51,735,000)	147,500 (137,500)	62,568,600 (62,558,600)
Investments	- (4,292,041)	70,199,932 (-)	- (-)	- (-)	- (-)	30,339,333 (30,339,333)	- (-)	950,500,000 (1,900,500,000)	1,051,039,265 (1,935,131,374)
Foreign currency assets	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

Figures in brackets are for previous year

**Notes:**

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) The above statement includes only certain items of assets and liabilities (as stipulated in Annexure 4 of Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15, dated November 10, 2014) and therefore does not reflect the complete asset liability maturity pattern of the Company.



**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**34.4 Particulars**

	Liabilities side	Amount outstanding	Amount overdue
(I)	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>		
(a)	Debtures		
(i)	Secured	2,631,522,466	-
		(3,664,406,635)	(-)
(ii)	Unsecured (other than falling within the meaning of public deposits)	-	-
		(-)	(-)
(b)	Deferred Credits	-	-
		(-)	(-)
(c)	Term Loans	3,007,747,945	-
		(666,666,665)	(-)
(d)	Inter-corporate loans and borrowing	2,372,050,101	-
		(771,834,247)	(-)
(e)	Commercial Paper (net of unamortised discount)	18,939,423,808	-
		(25,351,250,482)	(-)
(f)	Other Loans (Please Specify)		
	Overdraft Accounts	-	-
		(24,338,124)	(-)
	Cash Credits	407,387,532	-
		(1,255,479)	(-)
	CBLO Borrowing (net of unamortised discount)	2,428,560,768	-
		(2,746,439,835)	(-)
	Working capital demand loan	-	-
		(-)	(-)
	Due under finance lease	12,309,539	-
		(5,575,679)	(-)
	<b>Assets side</b>		<b>Amount outstanding</b>
(II)	<b>Break up of Loans and Advances including bills receivables (other than those included in (IV) below):</b>		
(a)	Secured		27,895,086,420
			(33,992,783,077)
(b)	Unsecured		3,534,035,432
			(1,439,892,115)
(III)	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:</b>		
(a)	Lease assets including lease rentals under sundry debtors:		
(i)	Financial Lease		-
			(-)
(ii)	Operating Lease		-
			(-)
(b)	Stock on hire including hire charges under sundry debtors:		
(i)	Assets on hire		-
			(-)
(ii)	Repossessed Assets		-
			(-)
(c)	Other loans counting towards AFC activities:		
(i)	Loans where assets have been repossessed		-
			(-)
(ii)	Loans other than (a) above		-
			(-)



**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

<b>(IV) Break – up of Investments:</b>		
<b>(a) Current Investments:</b>		
1. Quoted:		
(i) Shares:		
(a) Equity		-
(b) Preference		(-)
(ii) Debentures and Bonds		(-)
(iii) Units of Mutual Funds		-
(iv) Government Securities		(4,292,041)
(v) Others (Please Specify)		-
Class A Security Receipts		70,199,932
2. Unquoted:		
(i) Shares:		
(a) Equity		-
(b) Preference		(-)
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		(-)
(iv) Government Securities		-
(v) Others (Please Specify)		-
<b>(b) Long Term Investments:</b>		
1. Quoted:		
(i) Shares:		
(a) Equity		30,339,333
(b) Preference		(30,339,333)
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		(-)
(iv) Government Securities		-
(v) Others (Please Specify)		-
2. Unquoted:		
(i) Shares:		
(a) Equity		-
(b) Preference		(950,000,000)
(ii) Debentures and Bonds		950,500,000
(iii) Units of Mutual Funds		(950,500,000)
(iv) Government Securities		-
(v) Others (Please Specify)		(-)





**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**(V) Borrower group – wise classification of assets financed as in (II) and (III) above:**

Category	Amount net of provisions		
	Secured	Unsecured	Total
(a) Related Parties	-	-	-
(i) Subsidiaries	(-)	(-)	(-)
(ii) Companies in the same group	-	25,000,000	25,000,000
(iii) Other related parties	(-)	(-)	(-)
(b) Other than related parties	(-)	(-)	(-)
	27,895,086,420	3,509,035,432	31,404,121,852
	(33,992,783,077)	(1,439,892,115)	(35,432,675,192)
	<b>27,895,086,420</b>	<b>3,534,035,432</b>	<b>31,429,121,852</b>
	(33,992,783,077)	(1,439,892,115)	(35,432,675,192)
Less: Provision for non-performing assets			86,154,912
			(89,158,627)
Total			<b>31,342,966,940</b>
			(35,343,516,565)

**(VI) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Category	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)
(a) Related Parties	-	-
(i) Subsidiaries #	(2,430,813,932)	(950,000,000)
(ii) Companies in the same group *	950,500,000	950,500,000
(iii) Other related parties	(950,500,000)	(950,500,000)
(b) Other than related parties	(-)	(-)
	106,209,329	100,539,265
	(33,708,064)	(34,631,374)
Total	<b>1,056,709,329</b>	<b>1,051,039,265</b>
	(3,415,021,996)	(1,935,131,374)

**(VII) Other information:**

Particulars	Amount
(a) Gross Non – Performing Assets	-
(i) Related Parties	(-)
(ii) Other than related parties	203,264,561
	(479,329,454)
(b) Net Non – Performing Assets	-
(i) Related Parties	(-)
(ii) Other than related parties	117,109,649
	(390,170,827)
(c) Assets acquired in satisfaction of debt	-
	(-)

(figures in brackets indicates previous year figures)

\* As the fair value is not available, the same has been stated at cost.

# Based on break-up value.

34.5 There are no restructured advances as on March 31, 2016, hence disclosure of information as required in terms of sub-Para 9 of Paragraph 27 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (issued vide Notification No. DNBR.009/CGM(CD5)-2015 dated March 27, 2015) is not warranted.



**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**34.6 Investments**

Particulars	Rupees	Previous year Rupees
<b>(a) Value of Investments</b>		
(i) Gross Value of Investments		
(a) in India	1,051,039,265	1,935,131,374
(b) outside India	-	-
(ii) Provision for depreciation		
(a) in India	-	-
(b) outside India	-	-
(iii) Net Value of Investments		
(a) in India	1,051,039,265	1,935,131,374
(b) outside India	-	-
<b>(b) Movement of provisions held towards depreciation on investments</b>		
(i) Opening balances	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

**34.7 Additional & Miscellaneous Disclosures:**

**(I) Registration obtained from other financial sector regulators**

Company has not registered with other financial sector regulators except with Reserve Bank of India

**(II) Disclosure of Penalties imposed by RBI and other regulators**

Nil

Nil

**(III) Ratings assigned by credit rating agencies and migration of ratings during the year:**

Rating particulars	Rating Agency	Rating assigned
Commercial Paper Programme	ICRA Limited	ICRA A1+
	CRISIL Limited	Crisil A1+
Non-Convertible Debentures	ICRA Limited	ICRA AA / Stable
	CRISIL Limited	Crisil AA / Stable
Bank Loan facility	ICRA Limited	ICRA AA / Stable
	CRISIL Limited	Crisil AA / Stable
Long Term Principal Protected Equity Linked Debentures Programme	ICRA Limited	PP-MLD[ICRA] AA / Stable

During the current year, rating from CRISIL Limited has been upgraded from CRISIL AA-/Stable to CRISIL AA/Stable.

**(IV) Net Profit or Loss for the period, prior period items and changes in accounting policies:**

There are no prior period items and changes in accounting policies impacting net profit for the year

**(V) Revenue Recognition:**

Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties



**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**(VI) Provisions and Contingencies**

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Rupees	Previous year Rupees
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	23,241,210
Provision made towards Income tax	785,626,190	895,000,000
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	-	-

**(VII) Draw Down from Reserves**

Nil Nil

**(VIII) Concentration of Deposits, Advances, Exposures and NPAs**

**(a) Concentration of Deposits (for deposit taking NBFCs)**

Total Deposits of twenty largest depositors	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA

**(b) Concentration of Advances**

Total advances to twenty largest borrowers ( in Rupees)	19,412,835,650
Percentage of advances to twenty largest borrowers to total advances of the NBFC	61.77%

**(c) Concentration of Exposures**

Total exposure to twenty largest borrowers / customers ( in Rupees)	19,469,433,188
Percentage of Exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	61.53%

**(d) Concentration of NPAs**

Total exposure to top four NPA accounts( in Rupees)	168,406,396
-----------------------------------------------------	-------------

**(e) Sector-wise NPAs**

Sector	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities	-
MSME	-
Corporate borrowers	0.68%
Services	-
Unsecured personal loans	-
Auto loans	-
Other personal loans	-
Other loans	0.54%

**(IX) Movement of NPAs**

	Rupees	Previous year Rupees
(i) Net NPAs to Net Advances (%)	0.37%	1.10%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	479,329,454	110,696,431
(b) Additions during the year	-	1,183,817,087
(c) Reductions during the year	276,064,893	815,184,064
(d) Closing balance	203,264,561	479,329,454
(iii) Movement of Net NPAs		
(a) Opening balance	390,170,827	57,369,718
(b) Additions during the year	-	1,065,435,377
(c) Reductions during the year	273,061,178	732,634,268
(d) Closing balance	117,109,649	390,170,827
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	89,158,627	53,326,713
(b) Provisions made during the year*	23,686,710	118,381,710
(c) Write-off / write-back of excess provisions	26,690,425	82,549,796
(d) Closing balance	86,154,912	89,158,627

\* includes Rs. Nil (Previous Year Rs. 14,518,082/-) transferred from Provision for Standard



**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**(X) Disclosure of Complaints**

**Customer**

Particulars	
No. of complaints pending at the beginning of the year	-
No. of complaints received during the year	4
No. of complaints redressed during the year	4
No. of complaints pending at the end of the year	-

**(XI)** Disclosure in respect of derivatives, securitisation transactions, consolidated financial statements, overseas assets (for those with joint ventures and subsidiaries abroad), off balance sheet SPV's sponsored are not applicable for the year to the Company.

**35 Provision for Standard Assets**

To ensure that Non-Banking Financial Companies (NBFC) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a Notification No. DNBS.222/CGM(US)-2011 dated January 17, 2011, requiring all NBFCs to make a general provision at 0.30 per cent of the outstanding standard assets. The Company had in the past created provision for standard assets as per guidelines prescribed by the Board of Directors which is sufficient to comply with the aforesaid RBI notification.

Movement in Provision for standard assets	Rupees	Previous year Rupees
(a) Opening balance as at the beginning of the year	262,695,518	277,213,600
(b) Provisions made during the year	-	-
(c) Utilisation of Provisions during the year*	-	90,081,919
(d) Reversal of Provisions during the year*	-	75,563,837
(e) Closing balance as at the end of the year	262,695,518	262,695,518
* Utilisation of provisions (net of reversal) of Rs. Nil (Previous Year Rs. 14,518,082/-) by way of transfer to Provision for doubtful loans		

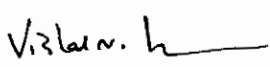
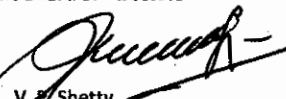
**36 Expenditure towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)**



- a) Gross amount required to be spent by the Company during the year – Rs.42,300,000/- (previous year, Rs. 33,200,000/-)  
b) Amount spent and paid during the year by way of donations to charitable trusts– Rs. 42,300,000/-(previous year, Rs. 33,200,000/-)

**37** Figures of previous year have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For and on behalf of the Board of Directors



  
  
**Vishal Kampani**                      **V. P. Shetty**  
 Managing Director                      Chairman  
 DIN - 00009079                      DIN - 00021773

  
  
**Hemant Kotak**                      **Reena Sharda**  
 Chief Financial Officer                      Company Secretary  
 Place : Mumbai  
 Date : May 12, 2016





## **JM FINANCIAL PRODUCTS LTD.**

***Annual Accounts 2015***

**Corporate Identity Number - U74140MH1984PLC033397**

Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025.  
T: +91 22 6630 3030 F: +91 22 6630 3223 Website: [www.jmfl.com](http://www.jmfl.com)

**BOARD OF DIRECTORS**

Mr. V P Shetty – Chairman  
Mr. Madhukar R Umarji  
Mr. E A Kshirsagar  
Mr. Dhirendra Singh  
Mr. Darius E Udawadia  
Ms. Roshini Bakshi  
Mr. Vishal Kampani – Managing Director

**AUDIT COMMITTEE**

Mr. E A Kshirsagar  
Mr. Madhukar R Umarji  
Mr. Dhirendra Singh

**CHIEF FINANCIAL OFFICER**

Mr. Hemant Kotak

**COMPANY SECRETARY**

Mr. Akshar Biyani

**AUDITORS**

Deloitte Haskins & Sells LLP  
Chartered Accountants  
Indiabulls Finance Centre,  
Tower 3, 27<sup>th</sup> - 32<sup>nd</sup> Floor,  
Elphinstone Mill Compound,  
Senapati Bapat Marg,  
Elphinstone (W),  
Mumbai – 400 013

**PRINCIPAL BANKERS**

HDFC Bank Limited  
Tulsiani Chambers Nariman  
Point  
Mumbai – 400 021

**REGISTERED OFFICE**

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JM FINANCIAL PRODUCTS LIMITED

Tel: +91 (022) 6185 4000  
Fax: +91 (022) 6185 4501/4601

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **JM FINANCIAL PRODUCTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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; 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 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 standalone financial statements based on our audit.
4. 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.
5. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

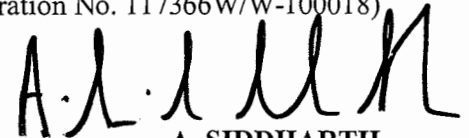
**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure" a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - 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 for which there were any material foreseeable losses.
    - iii) There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**A. SIDDHARTH**  
Partner

Membership No. 31467

Mumbai, dated: 26<sup>th</sup> May, 2015



**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 9 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In our opinion and according to the information and explanations given to us, the nature of the Company's business/ activities/ results during the year are such that clauses (ii), (v) and (vi) of paragraph 3 of the Order are not applicable to the Company. In respect of other clauses, we report as under:

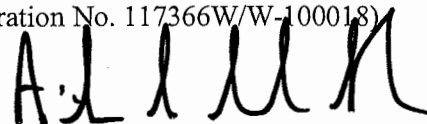
- (i) a) The Company has maintained proper records showing full particulars, including quantitative detail and situation of the fixed asset.  
b) All the fixed assets were physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:  
a) The receipt of principal amount and interest have been regular as per stipulation; and  
b) There is no overdue amount in excess of Rs.1 lakh remaining outstanding as at the year end.
- (iii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of fixed assets and for the sale of services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (iv) According to the information and explanation given to us and the books of account examined by us, in respect of statutory dues:  
a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid dues in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date of becoming payable, except for income-tax of Rs.3,985,870/-.  
In respect of some income-tax assessment years, there are refunds due as per returned/ assessed income, in excess of the above non-deposits.  
b) There are no cases of non-deposits with the appropriate authorities of disputed dues of sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess, as applicable. Details of dues of income-tax which has not been deposited as on 31<sup>st</sup> March, 2015 on account of disputes are given below:
- | Sl. no. | Statute              | Nature of Dues | Forum where Dispute is pending       | Period to which the amount relates (Financial Year) | Amount involved (Rupees) |
|---------|----------------------|----------------|--------------------------------------|-----------------------------------------------------|--------------------------|
| 1.      | Income-tax Act, 1961 | Income-tax     | Commissioner of Income-tax (Appeals) | 2009-10 to 2011-12                                  | 46,796,513               |
- c) There are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (v) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

DHL

**Deloitte  
Haskins & Sells LLP**

- (vi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayments of dues to banks and debenture holders. The Company has no dues to financial institutions.
- (vii) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (viii) In our opinion and according to the information and explanations given to us, Company has not taken any term loans during the year.
- (ix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**A. SIDDHARTH**  
Partner  
Membership No. 31467

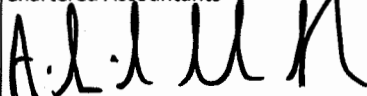
Mumbai, dated: 26<sup>th</sup> May, 2015

**JM FINANCIAL PRODUCTS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2015**

	Note No.	Rupees	Rupees	As at 31.03.2014 Rupees
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholder's Funds</b>				
Share Capital	2	5,445,000,000		5,445,000,000
Reserves and Surplus	3	5,535,581,299		4,308,209,279
			<b>10,980,581,299</b>	<b>9,753,209,279</b>
<b>Non-Current Liabilities</b>				
Long-term borrowings	4	1,106,929,840		3,771,236,150
Long term provisions	5	270,466,610		285,171,940
			<b>1,377,396,450</b>	<b>4,056,408,090</b>
<b>Current Liabilities</b>				
Short-term borrowings	6	28,872,028,441		22,342,869,783
Trade payables	7	18,335,790		39,934,106
Other current liabilities	8	3,449,484,509		3,830,646,634
Short-term provisions	9	792,075,077		311,871,352
			<b>33,131,923,817</b>	<b>26,525,321,875</b>
<b>TOTAL</b>			<b>45,489,901,566</b>	<b>40,334,939,244</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Fixed assets</b>				
Tangible assets	10	25,348,016		31,326,424
Intangible assets		13,249,392		13,242,461
Non-current investments	11	1,930,839,333		1,294,420,000
Deferred tax assets (net)	12	147,178,890		141,315,862
Long-term loans and advances	13	10,354,702,927		12,280,063,917
			<b>12,471,318,558</b>	<b>13,760,368,664</b>
<b>Current assets</b>				
Current investments	14	4,292,041		-
Stock-in-trade	15	3,590,075,769		5,342,080,261
Cash and bank balances	16	3,824,299,027		3,848,318,318
Short-term loans and advances	17	25,561,114,784		17,303,763,041
Other current assets	18	38,801,387		80,408,960
			<b>33,018,583,008</b>	<b>26,574,570,580</b>
<b>TOTAL</b>			<b>45,489,901,566</b>	<b>40,334,939,244</b>
Notes to the financial statements	1 to 37			

In terms of our report attached

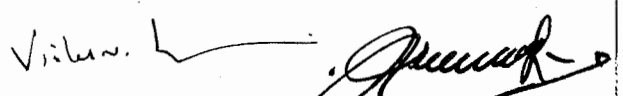
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants



**A. Siddharth**  
Partner

Place : Mumbai  
Date : May 26, 2015

**For and on behalf of the Board of Directors**



**Vishal Kampani**  
Managing Director  
DIN - 00009079

**V. P. Shetty**  
Chairman  
DIN - 00021773



**Hemant Kotak**  
Chief Financial Officer  
Place : Mumbai  
Date : May 26, 2015



**Akshar Bivani**  
Company Secretary

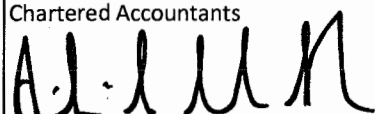


**JM FINANCIAL PRODUCTS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015**

	Note No.	Rupees	Previous Year Rupees
Revenue from operations	19	6,581,590,107	4,900,081,685
Other Income	20	443,221,968	391,853,019
<b>TOTAL REVENUE</b>		<b>7,024,812,075</b>	<b>5,291,934,704</b>
<b>EXPENSES</b>			
Employee benefits expense	21	273,297,898	303,186,691
Finance costs	22	3,733,349,328	2,762,170,971
Depreciation / amortization expense	10	13,946,141	12,649,530
Operating and other expenses	23	232,082,293	192,950,952
<b>TOTAL EXPENSES</b>		<b>4,252,675,660</b>	<b>3,270,958,144</b>
<b>PROFIT BEFORE TAX</b>		<b>2,772,136,415</b>	<b>2,020,976,560</b>
<b>TAX EXPENSE:</b>			
Current tax		895,000,000	688,000,000
Deferred tax		(5,767,844)	(25,446,998)
Short provision for income tax in respect of earlier years		-	10,403,864
<b>Total</b>		<b>889,232,156</b>	<b>672,956,866</b>
<b>PROFIT FOR THE YEAR</b>		<b>1,882,904,259</b>	<b>1,348,019,694</b>
<b>Earning Per Equity Share</b> (Face value of Rs. 10/- each)			
Basic and Diluted	29	3.46	2.48
Notes to the financial statements	1 to 37		

In terms of our report attached


For Deloitte Haskins & Sells LLP  
Chartered Accountants



A. Siddharth  
Partner

Place : Mumbai  
Date : May 26, 2015

For and on behalf of the Board of Directors




Vishal Kampani  
Managing Director  
DIN - 00009079



V. P. Shetty  
Chairman  
DIN - 00021773



Hemant Kotak  
Chief Financial Officer  
Place : Mumbai  
Date : May 26, 2015



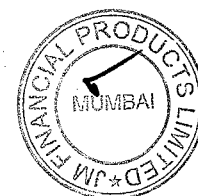
Akshar Biyani  
Company Secretary



**JM FINANCIAL PRODUCTS LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2015**

PARTICULARS	Rupees	Previous Year Rupees
<b>A Net Profit before tax</b>	2,772,136,415	2,020,976,560
<b>Adjustment for :</b>		
Depreciation/ Amortisation	13,946,141	12,649,530
Loss on fixed assets sold/ discarded (net)	128,935	-
Loan funds written off	1,927,378	-
Provision for doubtful loans	23,241,210	12,237,062
Interest expenses - Others	1,906,815	2,780,185
Provision for doubtful loans written back	(1,927,378)	-
Interest Income on fixed deposits with Banks and others	(260,046,102)	(323,434,731)
Provision for bonus - written back	(1,237,500)	-
Dividend on current investments	(15,239,255)	(11,457,654)
Dividend on long term investments	(84)	(84)
Profit on sale of long term investments	(132,680,206)	(32,063,642)
Profit on sale of current investments	(31,916,229)	(24,803,520)
<b>Operating Profit before Working Capital Changes</b>	<b>2,370,240,140</b>	<b>1,656,883,706</b>
<b>Changes in working capital</b>		
<b>Adjustment for (increase)/ decrease in operating assets:</b>		
Loans and advances and other current assets	(6,315,775,112)	1,433,116,117
Stock-in-trade	1,752,004,492	635,546,267
Accrued interest income related to operating activities	33,198,479	(43,003,830)
<b>Adjustment for increase/ (decrease) in operating liabilities:</b>		
Trade payables, other liabilities and provisions	(47,813,324)	46,399,916
Accrued interest expenses related to operating activities	(54,852,272)	(24,302,462)
<b>Cash generated (used in)/ from operations</b>	<b>(2,262,997,597)</b>	<b>3,704,639,714</b>
Direct taxes paid	(932,538,544)	(724,094,771)
<b>Net Cash flow (used in)/ from Operating Activities (A)</b>	<b>(3,195,536,141)</b>	<b>2,980,544,943</b>
<b>B Cash flow from Investing Activities</b>		
Purchase of fixed assets	(9,184,654)	(25,448,722)
Sale of fixed assets	801,020	-
Purchase of long term investments	(980,839,333)	-
Sale of long term investments	477,100,206	186,105,185
Purchase of current investments	(86,094,603,227)	(70,178,753,782)
Sale of current investments	86,122,227,415	70,203,557,301
Decrease in other bank balances	(110,000,000)	2,870,000,000
Interest received	268,455,196	366,764,323
Dividend received	15,239,339	11,457,738
<b>Net Cash flow (used in)/ from Investing Activities (B)</b>	<b>(310,804,038)</b>	<b>3,433,682,043</b>
<b>C Cash flow from Financing Activities</b>		
(Repayment)/ Proceeds from long term borrowings (net)	(2,963,819,622)	165,509,835
Proceeds/ (Repayments) from short term borrowings (net)	6,529,158,658	(6,758,935,859)
Interest paid	(1,906,815)	(2,780,185)
Dividend paid (Including Corporate Dividend Tax)	(191,111,333)	(637,037,775)
<b>Net Cash flow from/(used in) from Financing Activities (C)</b>	<b>3,372,320,888</b>	<b>(7,233,243,984)</b>
Net (decrease) in cash and cash equivalents (A+B+C)	(134,019,291)	(819,016,998)
Cash and cash equivalents at the beginning of the year	188,318,318	1,007,335,316
Cash and cash equivalents at the end of the year	<b>54,299,027</b>	<b>188,318,318</b>

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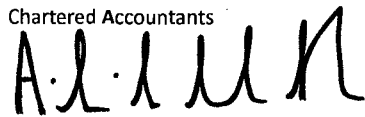
**JM FINANCIAL PRODUCTS LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2015**

**Notes.**

	Rupees	As at 31.03.2014 Rupees
(1) <b>Reconciliation of cash and cash equivalents:</b>		
As per Balance Sheet - Note 16	3,824,299,027	3,848,318,318
Less: Balances with banks in deposit	3,770,000,000	3,660,000,000
<b>As per Cash-flow statement</b>	<b>54,299,027</b>	<b>188,318,318</b>
(2) Balances with banks in deposit includes Rs.3,770,000,000/- (Previous year Rs.3,660,000,000/-) placed as securities against overdraft facilities availed from the banks.		

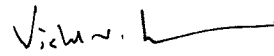
In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants



**A. Siddharth**  
Partner  
Place : Mumbai  
Date : May 26, 2015

**For and on behalf of the Board of Directors**



**Vishal Kampani**  
Managing Director  
DIN - 00009079



**V. P. Shetty**  
Chairman  
DIN - 00021773



**Hemant Kotak**  
Chief Financial Officer  
Place : Mumbai  
Date : May 26, 2015



**Akshar Bijani**  
Company Secretary



**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**Note 1**

**Significant Accounting Policies**

**Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amount of income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actual and estimates are recognised in the period in which the results are known / materialised.

**Fixed Assets**

Fixed Assets are recorded at cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation/ amortization and impairment loss, if any.

**Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 (also refer note 10.3).

Leasehold improvements are depreciated over the period of lease or useful life of the asset whichever is lower.

Assets acquired under finance lease are depreciated over the period of lease.

Assets costing Rs.5,000/- or less are depreciated at 100%.

**Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. Softwares are amortized over a period of five years on a straight line basis.

**Impairment loss**

Impairment loss is provided to the extent the carrying amount(s) of assets exceed their recoverable amount(s). Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

**Investments**

Current investments are carried at lower of cost (Scrip wise) and fair value. Non-current investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of non-current investments.

**Stock in Trade**

Stock in trade is carried at lower of cost and fair value. Cost is determined on First in First Out basis.

**Foreign Currency Transactions**

Transactions in foreign currency are recorded at rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency are reported using the closing rates of exchange. Exchange differences arising thereon and on realisation/ payment of foreign exchange are accounted in the relevant year as income or expense.

**Revenue Recognition**

Interest income is recognised on accrual basis except in case of non-performing assets where interest is accounted on realization. In other cases, income is recognised when there is no significant uncertainty as to determination or realization exists.

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**Provision for Non Performing Assets (NPA) and Standard Assets (SA)**

All loans and other credit exposures, where the installments are overdue for a period of six months or more are classified as NPA. Provision is made in respect of NPA and SA in accordance with the stipulations of Prudential Norms prescribed in the "Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015" by the Reserve Bank of India (RBI). Additional provisions (over and above the provisioning requirements under the Directions as specified by RBI) are also made as per guidelines prescribed by the Board of Directors.

**Employee Retirement Benefits**

**(a) Post Employment Benefits and Other Long Term Benefits:**

**Defined Contribution Plan:**

The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute/ Rules.

**Defined Benefit Plans:**

In respect of gratuity, provision is made based upon the actuarial valuation done at the end of every financial year using "Projected unit Credit Method". Major drivers in actuarial assumption, typically, are years of services and employees compensation. Gains and losses on changes in actuarial assumption are charged to the statement of profit and loss.

**(b) Short term employee benefits:**

Short term employee benefits are recognized as expense at the undiscounted amount in the statement of profit and loss of the year in which the related services are rendered.

**Borrowing costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**Taxes on income**

Tax expense comprises both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period. Deferred tax represents effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of existence of carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that deferred tax assets can be realised against future taxable profits.

**Provisions and contingencies**

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

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**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

Note No.	Rupees	As at 31.03.2014 Rupees
<b>2 SHARE CAPITAL</b>		
<b>Authorised</b>		
1,100,000,000 Equity Shares of Rs.10/- each	11,000,000,000	11,000,000,000
100,000,000 Preference Shares of Rs.10/- each	1,000,000,000	1,000,000,000
<b>TOTAL</b>	<b>12,000,000,000</b>	<b>12,000,000,000</b>
<b>Issued, Subscribed and Paid-up</b>		
544,500,000 equity shares of Rs.10/- each fully paid up	5,445,000,000	5,445,000,000
<b>TOTAL</b>	<b>5,445,000,000</b>	<b>5,445,000,000</b>
<b>2.1</b> The Company has only one class of shares i.e. equity. The equity shareholders are entitled to dividend as and when dividend is declared and approved by the shareholders. The dividend proposed for the year is Re. 1/- per share (Previous year Re. 0.30 per share).		
<b>2.2 Reconciliation of number of shares:</b>	<b>Number of shares</b>	
At the beginning of the year	544,500,000	544,500,000
Add: Issued during the year	-	-
At the end of the year	544,500,000	544,500,000
<b>2.3 Details of Shareholding in excess of 5%:</b>		
<b>Names of the Shareholders</b>	<b>Number of shares &amp; % of holding</b>	
JM Financial Limited and its nominees (5 shares held by nominees)	490,050,000 90%	490,050,000 90%
JM Financial Group Employees' Welfare Trust	54,450,000 10%	54,450,000 10%
<b>3 RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
As per last balance sheet	382,252,000	382,252,000
<b>Statutory Reserve</b>		
(under section 45-IC of The Reserve Bank of India Act, 1934)		
As per last balance sheet	1,212,900,000	941,900,000
Add : Transfer from the Statement of Profit and Loss	380,000,000	271,000,000
	1,592,900,000	1,212,900,000
<b>Capital Redemption Reserve</b>		
As per last balance sheet	1,000	1,000
<b>Balance in the Statement of Profit and Loss</b>		
As per last balance sheet	2,713,056,279	1,827,147,918
Profit for the year	1,882,904,259	1,348,019,694
Proposed dividend	(544,500,000)	(163,350,000)
Corporate dividend tax	(110,847,388)	(27,761,333)
Transferred to statutory reserve	(380,000,000)	(271,000,000)
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with 'Nil' remaining useful life (net of deferred tax) (Refer note 10.3)	(184,851)	-
	3,560,428,299	2,713,056,279
<b>TOTAL</b>	<b>5,535,581,299</b>	<b>4,308,209,279</b>

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**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

Note No.	As at 31.03.2014	
	Rupees	Rupees
<b>4 LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Term Loans from Banks (Refer note 4.1)	666,666,665	1,500,000,000
Less: Current maturities of Term loans from Banks	(666,666,665)	(708,333,333)
	-	791,666,667
Non-Convertible Debentures (refer note 4.2 and 4.3)	3,515,000,000	5,410,000,000
Less: Current maturities of Non-Convertible Debentures	(2,410,000,000)	(2,390,000,000)
Less: Unamortised discount on non convertible debentures	-	(46,195,151)
	1,105,000,000	2,973,804,849
Finance lease obligations (Refer note 4.4 and 28)	5,575,679	9,880,639
Less: Current maturities of Finance Lease Obligations	(3,645,839)	(4,116,005)
	1,929,840	5,764,634
<b>Unsecured</b>		
<b>Other loans and advances</b>		
Inter Corporate Deposits	-	250,000,000
Less: Current maturities of Inter Corporate Deposits	-	(250,000,000)
	-	-
<b>TOTAL</b>	<b>1,106,929,840</b>	<b>3,771,236,150</b>

**4.1 Term Loans from Banks :**

a) Term Loans are secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company.

b) Maturity profile and rate of interest of Term Loans:

Maturity profile	Rate of interest	Current Year	Previous Year
2015-16	12%	-	791,666,667

**4.2 Non-Convertible Debentures :**

a) Rs.2,885,000,000/- (Previous year Rs.3,890,000,000/-) are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.

b) Rs.630,000,000/- (Previous year Rs.1,520,000,000/-) are secured by way of hypothecation on certain identified loan fund balances of the Company.

**4.3 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD) face value of Rs. 1,000,000/- each:**

Particulars	Non Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
9.55% NCD redeemable in year 2016-17	55,000,000	-	-	-
11.38% NCD redeemable in year 2016-17	1,000,000,000	1,000,000,000	-	-
10.40% NCD redeemable in year 2016-17	50,000,000	50,000,000	-	-
11.00% NCD redeemable in year 2015-16*	-	350,000,000	350,000,000	-
10.85% NCD redeemable in year 2015-16*	-	80,000,000	80,000,000	-
11.40% NCD redeemable in year 2015-16	-	1,000,000,000	1,000,000,000	-
10.85% NCD redeemable in year 2015-16	-	230,000,000	230,000,000	-
10.75% NCD redeemable in year 2015-16	-	160,000,000	160,000,000	-
10.10% NCD redeemable in year 2015-16	-	50,000,000	-	-
10.60% NCD redeemable in year 2015-16	-	100,000,000	100,000,000	-
10.10% NCD redeemable in year 2015-16*	-	-	490,000,000	-
11.00% NCD redeemable in year 2014-15	-	-	-	1,650,000,000
10.50% NCD redeemable in year 2014-15	-	-	-	60,000,000
10.65% NCD redeemable in year 2014-15	-	-	-	300,000,000
10.40% NCD redeemable in year 2014-15	-	-	-	380,000,000
<b>Total</b>	<b>1,105,000,000</b>	<b>3,020,000,000</b>	<b>2,410,000,000</b>	<b>2,390,000,000</b>

\* issued at discount.

**4.4 Finance lease obligations are secured by way of hypothecation of vehicles.**

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**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

Note No.	Rupees	As at 31.03.2014 Rupees
<b>5 LONG TERM PROVISIONS</b>		
For Standard Assets (Refer note 35)	262,695,518	277,213,600
<b>For employee benefits:</b>		
Gratuity (Refer note 26)	7,771,092	7,958,340
<b>TOTAL</b>	<b>270,466,610</b>	<b>285,171,940</b>
<b>6 SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Short Term Loan from bank (Refer note 6.1)	-	500,000,000
<b>Loans repayable on demand</b>		
<b>From banks</b>		
Cash credit facilities (Refer note 6.2)	-	499,999,766
Overdraft accounts (Refer note 6.3 and 16.1)	24,338,124	514,785,769
<b>Other loans and advances</b>		
CBLO borrowings (Refer note 6.4)	2,750,000,000	-
Less: Unamortised interest on CBLO	(3,560,165)	-
	2,746,439,835	-
<b>Unsecured</b>		
<b>Other loans and advances</b>		
Commercial paper (Refer note 6.5 and 6.6)	26,155,000,000	21,718,000,000
Less: Unamortised interest on commercial paper	(803,749,518)	(889,915,752)
	25,351,250,482	20,828,084,248
Inter Corporate Deposits	750,000,000	-
<b>TOTAL</b>	<b>28,872,028,441</b>	<b>22,342,869,783</b>
<b>6.1</b> Short Term Loan from bank is secured by way of a floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company.		
<b>6.2</b> Cash credit facility from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.		
<b>6.3</b> Secured against fixed deposits pledged with the banks.		
<b>6.4</b> Secured against government securities pledged with the Clearing Corporation of India Limited (CCIL).		
<b>6.5</b> The maximum amount of commercial paper outstanding at any time during the year was Rs.45,235,000,000/- (Previous year Rs.26,038,000,000/-).		
<b>6.6</b> Interest rate of commercial paper range from 8.40% to 15.00% p.a.		
<b>7</b> There are no dues payable to Micro and Small Enterprises and therefore disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are not given.		



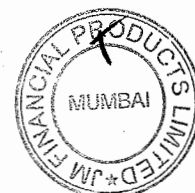
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**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

Note No.		Rupees	As at 31.03.2014 Rupees
<b>8</b>	<b>OTHER CURRENT LIABILITIES</b>		
	<b>Current maturities of long term borrowings:</b>		
	-Term Loan from Bank (Refer note 4.1)	666,666,665	708,333,333
	-Non-Convertible Debentures (Refer note 4.2 and 4.3)	2,410,000,000	2,390,000,000
	Less: Unamortised discount on non convertible debentures	(27,376,478)	-
		<u>2,382,623,522</u>	<u>2,390,000,000</u>
	-Inter Corporate Deposit	-	250,000,000
	-Finance Lease Obligations (Refer note 4.4 and 28)	3,645,839	4,116,005
	Interest accrued but not due on borrowings	199,872,839	254,725,111
	Employee benefits payable	187,837,884	213,389,546
	Statutory dues	6,637,760	7,982,639
	Directors' commission payable	2,200,000	2,100,000
	<b>TOTAL</b>	<b><u>3,449,484,509</u></b>	<b><u>3,830,646,634</u></b>
<b>9</b>	<b>SHORT TERM PROVISIONS</b>		
	For Proposed dividend	544,500,000	163,350,000
	For Corporate dividend tax	110,847,388	27,761,333
	For Taxation (net of advance tax)	41,747,742	61,143,267
	For doubtful loans	89,158,627	53,326,713
	<b>For employee benefits:</b>		
	-Compensated absences	4,335,067	4,551,825
	-Gratuity (Refer note 26)	1,486,253	1,738,214
	<b>TOTAL</b>	<b><u>792,075,077</u></b>	<b><u>311,871,352</u></b>

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**JM FINANCIAL PRODUCTS LIMITED**  
Notes to the financial statements

**Note No. 10**  
**FIXED ASSETS**

Description of Assets	Rupees									
	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION					NET BLOCK
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	Up to 01.04.2014	For the year	Transition adjustment (Refer note 10.3)	Deductions	Up to 31.03.2015	As at 31.03.2015
<b>TANGIBLE ASSETS</b>										
<b>Own Assets</b>										
Freehold Land (Refer note 10.1)	2,146,300	-	-	2,146,300	-	-	-	-	-	2,146,300
Furniture and Fixtures	4,226,082	178,066	177,500	4,226,648	606,743	387,189	-	46,465	947,467	3,279,181
Computers	2,920,960	2,835,342	1,066,608	4,689,694	1,529,393	1,123,404	280,035	679,879	2,252,953	2,436,741
Office Equipment	1,432,893	-	-	1,432,893	164,796	287,640	-	-	452,436	980,457
Leasehold Improvements	16,295,768	1,763,447	-	18,059,215	2,061,981	4,210,773	-	-	6,272,754	11,786,461
<b>Leased Assets</b>										
Vehicles (Refer note 10.2)	17,730,165	-	4,340,129	13,390,036	9,062,831	3,536,267	-	3,927,938	8,671,160	4,718,876
<b>TOTAL</b>	<b>44,752,168</b>	<b>4,776,855</b>	<b>5,584,237</b>	<b>43,944,786</b>	<b>13,425,744</b>	<b>9,545,273</b>	<b>280,035</b>	<b>4,654,282</b>	<b>18,596,770</b>	<b>25,348,016</b>
<b>INTANGIBLE ASSETS</b>										
Software	24,537,413	4,407,799	-	28,945,212	11,294,952	4,400,868	-	-	15,695,820	13,249,392
<b>TOTAL</b>	<b>24,537,413</b>	<b>4,407,799</b>	<b>-</b>	<b>28,945,212</b>	<b>11,294,952</b>	<b>4,400,868</b>	<b>-</b>	<b>-</b>	<b>15,695,820</b>	<b>13,249,392</b>

**Previous Year**

Description of Assets	Rupees									
	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION					NET BLOCK
	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	Up to 01.04.2013	For the year	Transition adjustment	Deductions	Up to 31.03.2014	As at 31.03.2014
<b>TANGIBLE ASSETS</b>										
<b>Own Assets</b>										
Freehold Land (Refer note 10.1)	2,146,300	-	-	2,146,300	-	-	-	-	-	2,146,300
Furniture and Fixtures	558,885	3,667,197	-	4,226,082	38,194	568,549	-	-	606,743	3,619,339
Computers	2,614,359	306,601	-	2,920,960	977,412	551,981	-	-	1,529,393	1,391,567
Office Equipment	49,254	1,383,639	-	1,432,893	18,944	145,852	-	-	164,796	1,268,097
Leasehold Improvements	-	16,295,768	-	16,295,768	-	2,061,981	-	-	2,061,981	14,233,787
<b>Leased Assets</b>										
Vehicles (Refer note 10.2)	16,628,993	1,101,172	-	17,730,165	4,285,254	4,777,577	-	-	9,062,831	8,667,334
<b>TOTAL</b>	<b>21,997,791</b>	<b>22,754,377</b>	<b>-</b>	<b>44,752,168</b>	<b>5,319,804</b>	<b>8,105,940</b>	<b>-</b>	<b>-</b>	<b>13,425,744</b>	<b>31,326,424</b>
<b>INTANGIBLE ASSETS</b>										
Software	21,843,068	2,694,345	-	24,537,413	6,751,362	4,543,590	-	-	11,294,952	13,242,461
<b>TOTAL</b>	<b>21,843,068</b>	<b>2,694,345</b>	<b>-</b>	<b>24,537,413</b>	<b>6,751,362</b>	<b>4,543,590</b>	<b>-</b>	<b>-</b>	<b>11,294,952</b>	<b>13,242,461</b>

10.1 - Mortgaged as security against secured non-Convertible Debentures.(Refer note 4.2)

10.2 - Vendors have a lien over assets taken on lease.

10.3 - 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 Rs.243,259/- for the year ended 31st March, 2015. Further, based on transitional provision in Note 7(b) of Schedule II, an amount of Rs.184,851/- (net of deferred tax of Rs.95,184/-) has been adjusted against the retained earnings.

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**JM FINANCIAL PRODUCTS LIMITED**  
Notes to the financial statements

	Nos./ Units	Rupees	As at 31.03.2014	
			Nos./ Units	Rupees
<b>11 NON-CURRENT INVESTMENTS</b> (Non Trade, fully paid up)				
a) <b>Equity Shares</b>				
<b>In Subsidiaries (unquoted)</b>				
JM Financial Services Limited of Rs. 10/- each	45,500,000	950,000,000	45,500,000	950,000,000
<b>In Others (quoted)</b>				
HCL Technologies Ltd of Rs. 2/- each	30,000	30,339,333	-	-
b) <b>Preference Shares</b>				
<b>In Others: (unquoted)</b>				
0.01% Class A Compulsorily Convertible Preference Shares of GMR Airports Holding Limited of Rs.1,000/- each	-	-	84,398	344,420,000
10% Participating non-cumulative redeemable preference shares of JM Financial Properties & Holdings Limited of Rs. 10/- each	95,050,000	950,500,000	-	-
	<b>TOTAL</b>	<b>1,930,839,333</b>		<b>1,294,420,000</b>
<b>11.1 Aggregate cost of:</b>				
Quoted Investments		30,339,333		-
Unquoted Investments		1,900,500,000		1,294,420,000
	Total	1,930,839,333		1,294,420,000
<b>11.2 Market Value of quoted Investments</b>		29,412,000		-
			<b>As at</b>	<b>31.03.2014</b>
<b>12 DEFERRED TAX ASSETS (NET)</b>			<b>Rupees</b>	<b>Rupees</b>
Difference between books and tax written down value of fixed assets			3,110,806	3,448,804
Provision for standard assets			90,913,665	94,224,903
Provision for doubtful loans			30,856,018	18,125,750
Disallowances under section 43B of the Income Tax Act, 1961			22,298,401	25,516,405
	<b>TOTAL</b>		<b>147,178,890</b>	<b>141,315,862</b>

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**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

Note No.	Rupees	As at 31.03.2014 Rupees
<b>13 LONG TERM LOANS AND ADVANCES</b> (Unsecured unless otherwise stated and considered good)		
Loan funds (Secured)	10,128,769,212	12,056,495,973
Advance tax (net of provision for tax)	162,323,631	144,180,612
Security deposits	62,558,600	76,418,600
Capital advances	976,859	2,704,230
Staff loans	74,625	264,502
<b>TOTAL</b>	<b>10,354,702,927</b>	<b>12,280,063,917</b>
<b>14 CURRENT INVESTMENTS</b>		
<b>Mutual Funds Units of Rs.10/- each, Fully Paid-Up (Quoted)</b>		
112,376.213 (Previous Year Nil) JM High Liquidity Fund (Growth Option)	4,292,041	-
<b>TOTAL</b>	<b>4,292,041</b>	<b>-</b>
<b>14.1</b> Aggregate value of cost of quoted investments	4,292,041	-
<b>14.2</b> Aggregate market value of quoted investments	4,296,064	-
<b>15 STOCK-IN-TRADE</b> (At lower of cost and fair value)		
Debt instruments	3,590,075,769	5,342,080,261
<b>TOTAL</b>	<b>3,590,075,769</b>	<b>5,342,080,261</b>
<b>15.1</b> Debt instruments includes interest accrued of Rs.80,105,768/- (Previous year Rs.41,373,833/-).		
<b>15.2</b> Debt instruments of bodies corporate lying in stock-in-trade at the year end are as follows:		
<u>Quoted</u>		
980 (Previous year 980) 18% Marvel Omega Builders Private Limited 2015 - NCD	626,482,991	781,214,866
<u>Unquoted</u>		
Nil (Previous year 10,000) Canara Bank Limited - CD (Maturity 02-June-2014)	-	983,779,805
Nil (Previous year 10,000) Punjab National Bank Limited - CD (Maturity 13-June-2014)	-	980,894,989
Nil (Previous year 10,000) State Bank of Mysore Limited - CD (Maturity 10-June-2014)	-	981,832,068
Nil (Previous year 10,000) Vijaya Bank Limited - CD (Maturity 16-June-2014)	-	979,959,467
Nil (Previous year 350) 18.75% Century Real Estate Holdings Private Limited 2014 - NCD	-	203,978,917
Nil (Previous year 650) 19% Century Real Estate Holdings Private Limited 2014 - NCD	-	378,899,900
<b>15.3</b> Aggregate book value of quoted stock in trade is Rs.3,509,970,001/- (Previous year Rs.817,908,740/-) and market value thereof is Rs.3,601,495,001/- (Previous year Rs.818,008,740/-).		
<b>15.4</b> Aggregate book value of unquoted stock in trade is Nil (Previous year Rs.4,482,797,688/-).		

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**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

Note No.	Rupees	As at 31.03.2014 Rupees
<b>16 CASH AND BANK BALANCES</b>		
<b>Balances with banks</b>		
<b>Cash and cash equivalents</b>		
Balances with banks in current accounts	6,799,027	1,718,318
Balances with banks in deposit accounts	47,500,000	186,600,000
	<u>54,299,027</u>	<u>188,318,318</u>
<b>Other bank balances (Refer note 16.1)</b>		
In deposit accounts under lien against which overdraft facilities are availed	3,770,000,000	3,660,000,000
	<b>TOTAL</b>	<b>TOTAL</b>
	<u><b>3,824,299,027</b></u>	<u><b>3,848,318,318</b></u>
<b>16.1</b> Deposit accounts under lien of Rs. 3,770,000,000/-, (Previous year Rs. 3,660,000,000/-) against which overdraft facilities remained outstanding as at the year end of Rs. 24,338,124/- (Previous year Rs. 514,785,769/-).		
<b>17 SHORT TERMS LOANS AND ADVANCES</b> (Unsecured unless otherwise stated)		
<b>Loan funds:</b>		
Secured	25,264,013,865	16,174,423,028
Unsecured	39,892,115	741,216,199
	<u>25,303,905,980</u>	<u>16,915,639,227</u>
Accrued Interest on loan funds	249,913,915	383,597,527
Security deposits	-	366,500
Others*	7,294,889	4,159,787
	<b>TOTAL</b>	<b>TOTAL</b>
	<u><b>25,561,114,784</b></u>	<u><b>17,303,763,041</b></u>
* includes prepaid expenses, service tax input credit receivable etc.		
<b>17.1</b> Details of dues from private companies in which a director is member or director:		
<u>Name of the Parties</u>		
JM Financial Asset Reconstruction Private Limited -Inter Corporate Deposits	-	500,000,000
JM Financial Asset Reconstruction Private Limited -Interest receivable	-	542,466
<b>18 OTHER CURRENT ASSETS</b>		
Accrued interest on deposits with banks	38,801,387	80,408,960
	<b>TOTAL</b>	<b>TOTAL</b>
	<u><b>38,801,387</b></u>	<u><b>80,408,960</b></u>

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

Note No.	Rupees	Previous Year Rupees
<b>19 REVENUE FROM OPERATIONS</b>		
Income from funding activities	5,402,868,123	3,948,737,581
Income from trading in debt instruments (net)	845,128,197	748,441,639
Interest on debentures	16,285,244	-
Advisory and other fees	317,308,543	202,902,465
<b>TOTAL</b>	<b>6,581,590,107</b>	<b>4,900,081,685</b>
<b>20 OTHER INCOME</b>		
<u>Interest on:</u>		
-Fixed deposits with banks	260,005,015	323,399,144
- Others	41,087	35,587
	260,046,102	323,434,731
<u>Dividend on current investments</u>		
- Current	15,239,255	11,457,654
- Long Term	84	84
	15,239,339	11,457,738
<u>Profit on sale of investments:</u>		
- Current (net)	31,916,229	24,803,520
- Long Term	132,680,206	32,063,642
	164,596,435	56,867,162
Provision for bonus written back	1,237,500	-
Provision for doubtful loans written back	1,927,378	-
Miscellaneous Income	175,214	93,388
<b>TOTAL</b>	<b>443,221,968</b>	<b>391,853,019</b>

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

Note No.	Rupees	Previous Year Rupees
<b>21 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, bonus, other allowances and benefits	264,119,105	295,520,536
Contribution to provident and other funds (Refer note 26)	6,535,603	6,238,132
Gratuity (refer note 26)	1,946,322	1,007,043
Staff welfare expenses	696,868	420,980
<b>TOTAL</b>	<b>273,297,898</b>	<b>303,186,691</b>
<b>22 FINANCE COSTS</b>		
Interest on fixed loans	3,640,661,292	2,689,301,566
Interest on bank overdraft	90,781,221	70,089,220
Interest on others	1,906,815	2,780,185
<b>TOTAL</b>	<b>3,733,349,328</b>	<b>2,762,170,971</b>
<b>23 OPERATING AND OTHER EXPENSES</b>		
Professional and consultancy charges	29,573,523	41,631,611
Space and other related costs (Refer note 28)	62,484,502	70,102,871
Rates and taxes	32,769,821	22,508,991
Membership and subscription	7,659,716	6,645,068
Manpower cost	3,374,748	3,269,035
Auditors' remuneration (Refer note 25)	1,999,819	1,354,287
Electricity	4,023,482	1,897,607
Communication expenses	1,313,781	1,556,904
Travelling and conveyance	3,902,777	3,712,393
Insurance	2,175,771	2,494,396
Printing and stationery	641,082	596,389
Repairs and maintenance - others	6,499,415	7,146,275
Loss on fixed assets sold / discarded (net)	128,935	-
Loan funds written off	1,927,378	-
Provision for doubtful loans (net)	23,241,210	12,237,062
Donations	38,700,000	4,554,000
Directors' commission	2,329,780	2,223,600
Sitting fees to directors	1,327,250	535,844
Miscellaneous expenses	8,473,811	10,484,619
<b>TOTAL</b>	<b>232,546,801</b>	<b>192,950,952</b>
Less: Recoveries	464,508	-
	<b>232,082,293</b>	<b>192,950,952</b>

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

	Rupees	Previous year Rupees
<b>24 Contingent Liabilities and commitments</b>		
(a) Contingent Liabilities not provided for in respect of: Estimated liability on account of disallowance u/s 14A of Income Tax Act 1961, for AY 2010-11 to AY 2012-13 for which appeal is pending before CIT (Appeals). The Company is hopeful in succeeding in the aforesaid matters.	-	5,326,190
(b) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for	770,000	2,273,641
<b>25 Payment to Auditors: (Excluding service tax)</b>		
Audit Fees	790,000	790,000
In any other manner (Certifications, limited reviews, etc.)	1,185,000	550,000
Out of pocket expenses	24,819	14,287
<b>TOTAL</b>	<b>1,999,819</b>	<b>1,354,287</b>

**26 Employee Benefits:**

**Short-term employee benefits:**

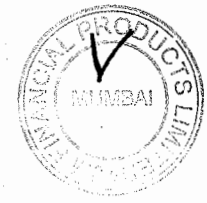
The company provides for accumulated compensated absences as at balance sheet date using full cost method to the extent leave will be utilised. The charge for the current year is disclosed under Salaries and Bonus.

**Defined Contribution Plan:**

Contributions are made to Government Provident Fund and Family Pension Fund which covers all regular employees. While both the employees and the Company make predetermined contributions to the provident fund, contribution to the family pension fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans, aggregate Rs. 6,531,475/- (Previous year Rs.6,234,532/-).

	Rupees	Previous year Rupees			
<b>Defined Benefit Plan: [Gratuity (Unfunded)]</b>					
<b>I. Reconciliation of liability recognised in the Balance Sheet</b>					
Fair value of plan assets as at the end of the year	-	-			
Present value of obligation as at the end of the year	9,257,345	9,696,554			
Net liability in the Balance Sheet	9,257,345	9,696,554			
<b>II. Movement in net liability recognised in the Balance Sheet</b>					
Net liability as at the beginning of the year	9,696,554	8,984,917			
Net expense recognised in the statement of profit and loss	1,946,322	1,007,043			
Liabilities Assumed on Acquisition / (Settled on Divestiture)	(1,863,206)	73,323			
Payments during the year	(522,325)	(368,729)			
Net liability as at the end of the year	9,257,345	9,696,554			
<b>III. Expense recognised in the statement of profit and loss (Under the head employee benefit expenses)</b>					
Current Service Cost	686,807	708,142			
Interest Cost	865,797	759,042			
Past Service Cost	-	-			
Actuarial Losses/ (Gains)	393,718	(460,141)			
Expenses charged to statement of profit and loss	1,946,322	1,007,043			
<b>IV. Reconciliation of defined benefit commitments</b>					
Commitments at the beginning of the year	9,696,554	8,984,917			
Current Service Cost	686,807	708,142			
Interest Cost	865,797	759,042			
Past Service Cost	-	-			
Actuarial Losses/ (Gains)	393,718	(460,141)			
Liabilities Assumed on Acquisition / (Settled on Divestiture)	(1,863,206)	73,323			
Benefits Paid	(522,325)	(368,729)			
Commitments at the year end	9,257,345	9,696,554			
<b>V. Experience Adjustments</b>					
	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15
Defined Benefit Obligation	4,047,996	5,011,877	8,984,917	9,696,554	9,257,345
Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	(4,047,996)	(5,011,877)	(8,984,917)	(9,696,554)	(9,257,345)
Experience Adj. on Plan Liabilities	(426,077)	138,707	(152,986)	370,110	(329,640)
Experience Adj. on Plan Assets	-	-	-	-	-

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

<b>VI. Actuarial Assumptions</b>		<b>Previous year</b>
Mortality table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount rate (per annum)	8.00%	9.10%
Rate of escalation in salary (per annum)	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**27 Related Party Disclosure:**

**Names of related parties and description of Relationship**

**(i) Names of related parties and description of relationship where control exists**

**Holding Company**  
JM Financial Limited

**Subsidiaries**  
JM Financial Services Limited  
JM Financial Commtrade Limited (Downstream subsidiary)  
Astute Investments (Downstream subsidiary-partnership firm [from May 19,2014])

**(ii) Names of related parties and description of relationship where transactions have taken place**

**(A) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprises.**

**Holding Company**  
JM Financial Limited

**Subsidiaries**  
JM Financial Services Limited  
Astute Investments

**Fellow Subsidiaries**  
JM Financial Properties & Holdings Limited  
CR Retail Malls (India) Limited (from March 29, 2014)  
JM Financial Investment Managers Limited  
JM Financial Institutional Securities Limited  
JM Financial Asset Management Limited (formerly known as JM Financial Asset Management Private Limited)  
Infinite India Investment Management Limited  
JM Financial Credit Solutions Limited (formerly known as FICS Consultancy Services Limited)

**(B) Associates and joint ventures of the reporting enterprise and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture:**

**Associates**  
CR Retail Malls (India) Limited (till March 28, 2014)

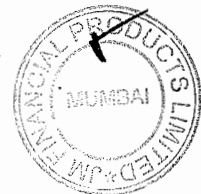
**(C) Key Management Personnel and relatives of such Personnel:**

Mr. Vishal Kampani  
Mr. V.P. Shetty

**(D) Enterprises over which any person described in (C) is able to exercise significant influence:**

J.M. Financial & Investment Consultancy Services Private Limited  
JM Financial Asset Reconstruction Company Private Limited

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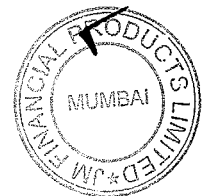


**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

(iii) *Details of transactions with related parties*

Name of the related party	Nature of relationship	Previous year	
		Rupees	Rupees
<b>JM Financial Limited</b>	(A)		
Dividend paid		147,015,000	490,050,000
Reimbursement of employees expenses		12,774,923	12,511,372
Inter Corporate Deposits taken		450,000,000	-
Inter Corporate Deposits repaid		450,000,000	-
Interest expenses on Inter Corporate Deposits taken		137,466	-
Purchase of preference shares of JM Financial Properties & Holdings Ltd		950,500,000	-
<b>JM Financial Services Limited</b>	(A)		
Inter Corporate Deposits given		770,000,000	1,415,000,000
Inter Corporate Deposits repaid		770,000,000	1,415,000,000
Interest income on Inter Corporate Deposits given		1,003,562	1,380,391
Brokerage paid		179,753	-
Gratuity liability received on transfer of employees		43,062	-
Gratuity liability paid on transfer of employees		157,656	-
Closing balance as at the year end - (credit)		139,482	-
<b>JM Financial Properties &amp; Holdings Limited</b>	(A)		
Inter Corporate Deposits given		100,000,000	3,000,000
Inter Corporate Deposits repaid		100,000,000	371,500,000
Interest income on Inter Corporate Deposits given		1,705,343	5,372,822
Space & other related cost paid		42,516,800	43,855,200
Reimbursement of expenses (paid)		7,720,935	6,062,751
Reimbursement of expenses (received)		8,330	-
Transfer of gratuity liability paid		27,241	-
Security Deposits refunded		12,845,000	-
Closing balance as at the year end - Security Deposit given - debit		51,735,000	64,580,000
Closing balance as at the year end - Transfer of gratuity liability - credit		27,241	-
<b>JM Financial Institutional Securities Limited</b>	(A)		
Inter Corporate Deposits given		-	2,443,000,000
Inter Corporate Deposits repaid		-	2,443,000,000
Interest income on Inter Corporate Deposits given		-	2,066,501
Reimbursement of expenses (paid)		6,580,097	325,487
Gratuity liability received on transfer of employees		46,658	-
Closing balance as at the year end - (credit)		-	(14,186)
<b>JM Financial Investment Managers Limited</b>	(A)		
Sale of Investments		-	186,105,185
Inter Corporate Deposits given		160,000,000	700,000,000
Inter Corporate Deposits repaid		160,000,000	700,000,000
Interest income on Inter Corporate Deposits given		3,464,157	421,918
<b>Astute Investments</b>	(A)		
Recovery of rent expenses		464,508	-
<b>Infinite India Investment Management Ltd</b>	(A)		
Gratuity liability received on transfer of employees		77,672	-

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

Name of the related party	Nature of relationship	Previous year	
		Rupees	Rupees
<b>JM Financial Credit Solutions Limited</b>	(A)		
Inter Corporate Deposits taken		2,895,000,000	-
Inter Corporate Deposits repaid		2,895,000,000	-
Inter Corporate Deposits given		4,131,000,000	-
Inter Corporate Deposits repaid		4,131,000,000	-
Interest income on Inter Corporate Deposits given		7,134,014	-
Interest expenses on Inter Corporate Deposits taken		3,066,945	-
Transfer of gratuity liability paid		1,845,071	-
Transfer of vehicle loan		218,807	-
Sale of fixed assets		559,560	-
Reimbursement of expenses (received)		693,297	-
<b>CR Retail Malls (India) Limited</b>	(A)		
Inter Corporate Deposits given		92,500,000	-
Inter Corporate Deposits repaid		192,500,000	-
Interest income on Inter Corporate Deposits given		11,471,059	98,630
Closing balance as at the year end - ICD - debit		-	100,000,000
<b>CR Retail Malls (India) Limited</b>	(B)		
Inter Corporate Deposits given		-	32,500,000
Interest income on Inter Corporate Deposits given		-	8,044,110
<b>Mr. Vishal Kampani</b>	(C)		
Managerial remuneration		70,000,000	70,058,980
Closing Balance as at the year end - (credit)		(60,000,000)	(55,000,000)
<b>Mr. V.P. Shetty</b>	(C)		
Managerial remuneration		27,500,000	26,924,388
Closing Balance as at the year end - (credit)		(17,500,000)	(15,000,000)
<b>J. M. Financial &amp; Investment Consultancy Services Private Limited</b>	(D)		
Reimbursement of expenses (paid)		-	73,500
Gratuity liability received on transfer of employees		-	73,323
Staff loan balance transferred on transfer of employees		-	195,000
<b>JM Financial Asset Reconstruction Company Private Limited</b>	(D)		
Inter Corporate Deposits given		3,500,000,000	500,000,000
Inter Corporate Deposits repaid		4,000,000,000	-
Interest income on Inter Corporate Deposits given		39,963,429	602,740
Closing balance as at the year end - ICD - debit		-	500,000,000
Closing balance as at the year end - Interest Receivable (net-of TDS) - debit		-	542,466

27.1 There are no provision for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.

27.2 Managerial remuneration excludes provision for gratuity as the incremental liability has been accounted for by the Company as a whole.

27.3 The transactions disclosed above are exclusive of service tax.

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**28 Lease Transactions:**

**Finance leases**

The Company has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year end are as under:

Due	Total Minimum Lease Payments outstanding as at the year end	Interest expenses	Present value of the minimum lease payments
	Rupees	Rupees	Rupees
Not later than one year	4,745,084 (6,043,247)	1,099,245 (1,927,242)	3,645,839 (4,116,005)
Later than one year and not later than five years	2,216,164 (7,186,234)	286,324 (1,421,600)	1,929,840 (5,764,634)
Later than five years	- (-)	- (-)	- (-)
<b>TOTAL</b>	<b>6,961,248</b> <b>(13,229,481)</b>	<b>1,385,569</b> <b>(3,348,842)</b>	<b>5,575,679</b> <b>(9,880,639)</b>

Figures in brackets are for previous year.

**Operating leases**

The Company has taken certain premises on non-cancellable operating lease basis. The tenure of such agreements ranges from 42 months to 60 months (Previous year 6 months to 21 months).

The minimum lease rentals outstanding in respect of these are as under:

Due	Total Minimum Lease Payments outstanding as at 31st March, 2015	Total Minimum Lease Payments outstanding as at 31st March, 2014
	Rupees	Rupees
Not later than one year	43,661,760	50,755,200
Later than one year and not later than five years	174,592,670	3,047,500
Later than five years	-	-
<b>TOTAL</b>	<b>218,254,430</b>	<b>53,802,700</b>

Lease payments recognised in the Statement of Profit and Loss for the year are Rs. 54,444,336/- (Previous year Rs.54,262,616/-).

The Company has taken certain assets (Premises and Furniture and Fixtures) on cancellable operating lease for the period of 60 months. Lease payments recognised in the Statement of Profit and Loss for the year in respect thereof aggregate Rs. 8,040,166/-(Previous year Rs. 15,840,255/-).

**29 Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:**

Particulars	Previous year	
	Rupees	Rupees
Profit after tax (Rupees)	1,882,904,259	1,348,019,694
Profit attributable to equity shareholders (Rupees)	1,882,904,259	1,348,019,694
Weighted average number of shares outstanding during the year	544,500,000	544,500,000
Basic and Diluted Earnings per share (Rupees)	3.46	2.48
Nominal value per share (Rupees)	10.00	10.00

**30 Expenditure in Foreign Currency:**

Particulars	Previous year	
	Rupees	Rupees
Subscription fees	168,958	-

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**31 Segment Information:**

(a) Primary Segment of the Company is business segment. Segments have been identified and reported taking into account the nature of services, the differing risks and returns and the internal reporting structure. The Company has identified two business segments:

- Fund Based Activities: This includes Margin Funding, Initial Public Offering Funding, Loan Against Shares, etc.
- Trading in Debt Securities: This includes purchase and sale of debt securities and related interest income thereon.

(b) Revenues and expenses have been identified to a segment on the basis of relationships to operating activities of the segment. Revenue and expenses which relates to Company as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "unallocable".

Investments, tax related / other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as "unallocable".

(c) Segment information for primary segment reporting (by Business Segment):

Particulars	Funding based activities	Trading in Debt Securities	Total
Segment Revenue	5,736,461,910 <i>4,151,640,046</i>	845,128,197 <i>748,441,639</i>	6,581,590,107 <i>4,900,081,685</i>
Revenue from Operations	5,736,461,910 <i>4,151,640,046</i>	845,128,197 <i>748,441,639</i>	6,581,590,107 <i>4,900,081,685</i>
Segment Results before unallocated interest and taxes	2,133,719,428 <i>1,351,932,667</i>	237,552,049 <i>304,723,007</i>	2,371,271,477 <i>1,656,655,674</i>
Unallocable Corporate Income/(Expenses) (Net)			400,864,938 <i>364,320,886</i>
Profit before Tax			2,772,136,415 <i>2,020,976,560</i>
Tax Expense			889,232,156 <i>672,956,866</i>
Net Profit after Tax			1,882,904,259 <i>1,348,019,694</i>
<b>Other Information:</b>			
Segment Assets	36,298,356,846 <i>29,983,452,341</i>	4,124,512,354 <i>5,911,098,907</i>	40,422,869,200 <i>35,894,551,248</i>
Unallocable Corporate Assets			5,067,032,366 <i>4,440,387,996</i>
Total Assets			45,489,901,566 <i>40,334,939,244</i>
Segment Liabilities	30,009,912,405 <i>24,697,912,828</i>	3,800,112,732 <i>5,631,562,537</i>	33,810,025,137 <i>30,329,475,365</i>
Unallocable Corporate Liabilities			699,295,130 <i>252,254,600</i>
Total Liabilities			34,509,320,267 <i>30,581,729,965</i>
Capital Expenditure	9,184,654 <i>25,423,492</i>	- <i>25,230</i>	9,184,654 <i>25,448,722</i>
Depreciation/ Amortization	13,443,080 <i>12,132,318</i>	503,061 <i>517,212</i>	13,946,141 <i>12,649,530</i>
Non Cash Expenditure : Provision for doubtful loans (net)	23,241,210 <i>12,237,062</i>	- <i>-</i>	23,241,210 <i>12,237,062</i>

Figures in italics indicates previous year figures.

(d) The Company operates in only one geographical segment and hence no further information is provided.

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**32 Employee Stock Option Scheme:**

Based on the request made by JM Financial Products Limited ('the Company'), JM Financial Limited, in accordance with Securities And Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company. 523,817 stock options have been granted on April 21, 2011, 745,329 stock options have been granted on April 16, 2012, 724,998 stock options have been granted on May 6, 2013 and 947,991 stock option have been granted on April 01, 2014. The particulars of vesting of the stock options granted to the Employees are given in the below table.

The option shall be eligible for vesting as per following schedule:

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (Rupees)
21st April, 2012	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2013	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2014	Series - IV	174,605	Vested	Seven years from the date of Grant	1
16th April, 2013	Series - V	248,443	Vested	Seven years from the date of Grant	1
16th April, 2014	Series - V	248,443	Vested	Seven years from the date of Grant	1
16th April, 2015	Series - V	248,443	To be vested	Seven years from the date of Grant	1
6th May, 2014	Series - VI	241,666	Vested	Seven years from the date of Grant	1
6th May, 2015	Series - VI	241,666	To be vested	Seven years from the date of Grant	1
6th May, 2016	Series - VI	241,666	To be vested	Seven years from the date of Grant	1
1st April, 2015	Series - VII	315,997	To be vested	Seven years from the date of Grant	1
1st April, 2016	Series - VII	315,997	To be vested	Seven years from the date of Grant	1
1st April, 2017	Series - VII	315,997	To be vested	Seven years from the date of Grant	1

The current status of the stock options granted to the Employees is as under:

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	1,379,315	1,127,272
Granted during the year	947,991	724,998
Transfer in/ (out) during the year	(845,173)	-
Lapsed/ forfeited during the year	-	20,454
Exercised during the year	618,052	452,501
Outstanding at the end of the year	864,081	1,379,315
Exercisable at the end of the year	46,309	1,968

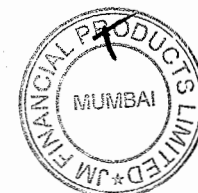
The charge on account of the above scheme is included in employee benefits expense aggregating Rs.12,774,923/- (Previous year Rs.12,511,372/-). Since the options are granted by JM Financial Limited, the Holding company, basic and diluted earnings per share of the Company would remain unchanged.

**33 Disclosure required in terms of Clause 28 of Listing Agreement of Debt Securities:**

a) Loans and advances in the nature of loans given to subsidiaries and associates:

Name of the company	Relationship	Rupees	
		Maximum Balance	Closing Balance
JM Financial Services Limited	Subsidiary	570,000,000 (972,000,000)	- (-)
JM Financial Investment Managers Limited	Fellow Subsidiary	160,000,000 (700,000,000)	- (-)
JM Financial Institutional Securities Limited	Fellow Subsidiary	- (1,250,000,000)	- (-)
JM Financial Credit Solutions Limited	Fellow Subsidiary	1,309,000,000 (-)	- (-)
JM Financial Properties & Holdings Limited	Fellow Subsidiary	100,000,000 (368,500,000)	- (-)
CR Retail Malls (India) Limited	Associate (up to March 28, 2014) Fellow Subsidiary (w.e.f. March 29, 2014)	192,500,000 (100,000,000)	- (100,000,000)
JM Financial Asset Reconstruction Private Limited	Associate of Holding Company	1,050,000,000 (500,000,000)	- (500,000,000)

Loans and advances shown above are interest bearing and are repayable on demand.  
(figures in brackets indicates previous year figures)



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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**34 Corporate Governance and Disclosure Norms for NBFCs:**

**34.1 Capital Risk Adequacy Ratio (CRAR):**

Particulars	Current year	Previous year
CRAR (%)	27.26%	25.51%
CRAR - Tier I capital (%)	26.55%	25.26%
CRAR - Tier II capital (%)	0.70%	0.24%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt instruments	-	-

**34.2 Exposures:**

	Rupees	Rupees
<b>I Exposure to Real Estate Sector</b>		
<b>a) Direct Exposure</b>		
<b>(i) Residential Mortgages-</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lacs may be shown separately)	-	-
<b>(ii) Commercial Real Estate*-</b> Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits; * Also includes Commercial Real Estate exposure in Stock-in-Trade.	11,354,060,649	14,179,998,802
<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures-</b>		
a) Residential,	-	-
b) Commercial Real Estate.	-	-
<b>b) Indirect Exposure</b> Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-
<b>II Exposure to Capital Market</b>		
<b>(i)</b> direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	30,339,333	-
<b>(ii)</b> advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	3,454,841,650	1,976,406,552
<b>(iii)</b> advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	20,953,100,692	12,951,965,724
<b>(iv)</b> advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
<b>(v)</b> secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	3,502,201	136,786,152
<b>(vi)</b> loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
<b>(vii)</b> bridge loans to companies against expected equity flows / issues;	-	-
<b>(viii)</b> all exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total Exposure to Capital Market</b>	<b>24,441,783,876</b>	<b>15,065,158,428</b>
<b>III Details of financing of parent company products</b>	<b>Nil</b>	<b>Nil</b>
<b>IV Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC</b>	<b>Nil</b>	<b>Nil</b>
<b>V Unsecured Advances</b>		
Amount of advances given against intangible securities	Nil	Nil

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**34.3 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:**

Particulars	(Rupees)								
	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowing from Banks	24,338,124 (1,014,785,535)	- (-)	166,666,667 (-)	166,666,667 (125,000,000)	333,333,331 (1,083,333,333)	- (791,666,667)	- (-)	- (-)	691,004,789 (3,014,785,535)
Market Borrowings	8,399,898,728 (2,262,940,432)	7,077,353,905 (6,609,153,761)	3,675,183,384 (3,139,849,842)	4,750,028,328 (4,391,657,279)	7,331,495,333 (7,068,598,940)	1,106,929,840 (2,979,569,482)	- (-)	- (-)	32,340,889,518 (26,451,769,736)
Foreign currency liabilities	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Assets</b>									
Advances	4,523,385,669 (2,912,739,366)	3,671,315,246 (2,253,148,479)	5,017,358,018 (1,094,745,985)	3,948,000,084 (2,224,635,635)	7,921,689,245 (8,698,529,075)	10,019,431,672 (12,166,643,318)	272,749,724 (156,600,000)	479,329,453 (-)	35,853,259,111 (29,507,041,858)
Deposits	- (-)	- (-)	- (-)	- (-)	- (366,500)	10,686,100 (72,632,500)	51,735,000 (3,786,100)	137,500 (-)	62,558,600 (76,785,100)
Investments	4,292,041 (-)	- (-)	- (-)	- (-)	- (-)	30,339,333 (-)	- (-)	1,900,500,000 (1,294,420,000)	1,935,131,374 (1,294,420,000)
Foreign currency assets	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

Figures in brackets are for previous year

**Notes:**

- Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.
- The above statement includes only certain items of assets and liabilities and therefore does not reflect the complete asset liability maturity pattern of the Company.

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

<b>34.4 Particulars</b>			
	Liabilities side	Amount outstanding	Amount overdue
<b>(I)</b>	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>		
(a)	Debentures		
(i)	Secured	3,664,406,635	-
		(5,597,623,453)	(-)
(ii)	Unsecured (other than falling within the meaning of public deposits)	-	-
		(-)	(-)
(b)	Deferred Credits	-	-
		(-)	(-)
(c)	Term Loans	666,666,665	-
		(2,000,000,000)	(-)
(d)	Inter-corporate loans and borrowing	771,834,247	-
		(270,906,507)	(-)
(e)	Commercial Paper	25,351,250,482	-
		(20,828,084,248)	(-)
(f)	Other Loans (Please Specify)		
	Overdraft Accounts	24,338,124	-
		(514,785,769)	(-)
	Cash Credits	1,255,479	-
		(499,999,766)	(-)
	CBLO Borrowing	2,746,439,835	-
		(-)	(-)
	Due under finance lease	5,575,679	-
		(9,880,639)	(-)
	<b>Assets side</b>	<b>Amount outstanding</b>	
<b>(II)</b>	<b>Break up of Loans and Advances including bills receivables (other than those included in (4) below):</b>		
(a)	Secured		35,392,783,077
			(28,230,919,001)
(b)	Unsecured		39,892,115
			(741,216,199)
<b>(III)</b>	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:</b>		
(a)	Lease assets including lease rentals under sundry debtors:		
(i)	Financial Lease		-
			(-)
(ii)	Operating Lease		-
			(-)
(b)	Stock on hire including hire charges under sundry debtors:		
(i)	Assets on hire		-
			(-)
(ii)	Repossessed Assets		-
			(-)
(c)	Other loans counting towards AFC activities:		
(i)	Loans where assets have been repossessed		-
			(-)
(ii)	Loans other than (a) above		-
			(-)

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

<b>(IV) Break – up of Investments:</b>		
<b>(a) Current Investments:</b>		
1. Quoted:		
(i) Shares:		
(a) Equity		-
(b) Preference		(-)
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		4,292,041
(iv) Government Securities		-
(v) Others (Please Specify)		(-)
Certificate of deposits		-
		(-)
2. Unquoted:		
(i) Shares:		
(a) Equity		-
(b) Preference		(-)
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		(-)
(v) Others (Please Specify)		-
		(-)
<b>(b) Long Term Investments:</b>		
1. Quoted:		
(i) Shares:		
(a) Equity		30,339,333
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		(-)
(iv) Government Securities		-
(v) Others (Please Specify)		-
		(-)
2. Unquoted:		
(i) Shares:		
(a) Equity		950,000,000
(b) Preference		(950,000,000)
		950,500,000
		(344,420,000)
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		(-)
(iv) Government Securities		-
(v) Others (Please Specify)		(-)
		-
		(-)

*DHL*



**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**(V) Borrower group – wise classification of assets financed as in (II) and (III) above:**

Category	Amount net of provisions		
	Secured	Unsecured	Total
(a) Related Parties			
(i) Subsidiaries	-	-	-
	(-)	(-)	(-)
(ii) Companies in the same group	-	-	-
	(-)	(600,000,000)	(600,000,000)
(iii) Other related parties	-	-	-
	(-)	(-)	(-)
(b) Other than related parties	35,392,783,077	39,892,115	35,432,675,192
	(28,230,919,001)	(141,216,199)	(28,372,135,200)
	<b>35,392,783,077</b>	<b>39,892,115</b>	<b>35,432,675,192</b>
	(28,230,919,001)	(741,216,199)	(28,972,135,200)
Less: Provision for non-performing assets			89,158,627
			(53,326,713)
Total			<b>35,343,516,565</b>
			(28,918,808,487)

**(VI) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Category	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)
(a) Related Parties		
(i) Subsidiaries #	2,430,813,932	950,000,000
	(2,152,210,616)	(950,000,000)
(ii) Companies in the same group *	950,500,000	950,500,000
	(-)	(-)
(iii) Other related parties	-	-
	(-)	(-)
(b) Other than related parties	33,708,064	34,631,374
	(344,420,000)	(344,420,000)
Total	<b>3,415,021,996</b>	<b>1,935,131,374</b>
	(2,496,630,616)	(1,294,420,000)

**(VII) Other Information:**

Particulars	Amount
(a) Gross Non – Performing Assets	
(i) Related Parties	-
	(-)
(ii) Other than related parties	479,329,454
	(110,696,431)
(b) Net Non – Performing Assets	
(i) Related Parties	-
	(-)
(ii) Other than related parties	390,170,827
	(57,369,718)
(c) Assets acquired in satisfaction of debt	-
	-

(figures in brackets indicates previous year figures)

\* As the fair value is not available, the same has been stated at cost.

# Based on break-up value.

**34.5** There are no restructured advance as on March 31, 2015, hence disclosure of information as required in terms of sub-Para 9 of Paragraph 27 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (issued vide Notification No. DNBR.009/CGM(CDS)-2015 dated March 27, 2015) is not warranted.

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**34.6 Investments**

Particulars	Rupees	Previous year Rupees
(a) <b>Value of Investments</b>		
(i) Gross Value of Investments		
(a) in India	1,935,131,374	1,294,420,000
(b) outside India	-	-
(ii) Provision for depreciation		
(a) in India	-	-
(b) outside India	-	-
(iii) Net Value of Investments		
(a) in India	1,935,131,374	1,294,420,000
(b) outside India	-	-
(b) <b>Movement of provisions held towards depreciation on investments</b>		
(i) Opening balances	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

**34.7 Additional & Miscellaneous Disclosures:**

**(I) Registration obtained from other financial sector regulators**

Company has not registered with other financial sector regulators except with Reserve Bank of India

**(II) Disclosure of Penalties imposed by RBI and other regulators**

Nil

Nil

**(III) Ratings assigned by credit rating agencies and migration of ratings during the year:**

Rating particulars	Rating Agency	Rating assigned
Commercial Paper Programme	ICRA Limited	ICRA A1+
	CRISIL Limited	Crisil A1+
Non-Convertible Debentures	ICRA Limited	ICRA AA
	CRISIL Limited	Crisil AA-/ Stable
Bank Loan facility	ICRA Limited	ICRA AA
	CRISIL Limited	Crisil AA-/ Stable
Long Term Principal Protected Equity Linked Debentures Programme	ICRA Limited	PP-MLD[ICRA]AA

There is no migration of ratings during the year from the aforesaid agencies.

**(IV) Net Profit or Loss for the period, prior period items and changes in accounting policies:**

There are no prior period items and changes in accounting policies impacting net profit for the year

**(V) Revenue Recognition:**

Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**(VI) Provisions and Contingencies**

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Rupees	Previous year Rupees
	Provisions for depreciation on Investment	-
Provision towards NPA	23,241,210	12,237,062
Provision made towards Income tax	895,000,000	698,403,864
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	-	-

**(VII) Draw Down from Reserves**

Nil Nil

**(VIII) Concentration of Deposits, Advances, Exposures and NPAs**

**(a) Concentration of Deposits (for deposit taking NBFCs)**

Total Deposits of twenty largest depositors	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA

**(b) Concentration of Advances**

Total advances to twenty largest borrowers	17,434,210,375
Percentage of advances to twenty largest borrowers to total advances of the NBFC	49.20%

**(c) Concentration of Exposures**

Total exposure to twenty largest borrowers / customers	17,525,249,150
Percentage of Exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	49.02%

**(d) Concentration of NPAs**

Total exposure to top four NPA accounts	418,321,045
-----------------------------------------	-------------

**(e) Sector-wise NPAs**

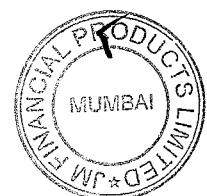
Sector	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities	-
MSME	-
Corporate borrowers	1.48%
Services	-
Unsecured personal loans	-
Auto loans	-
Other personal loans	-
Other loans	0.76%

**(IX) Movement of NPAs**

	Rupees	Previous year Rupees
(i) Net NPAs to Net Advances (%)	1.10%	0.20%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	110,696,431	254,012,231
(b) Additions during the year	1,183,817,087	106,083,196
(c) Reductions during the year	815,184,064	249,398,996
(d) Closing balance	479,329,454	110,696,431
(iii) Movement of Net NPAs		
(a) Opening balance	57,369,718	212,922,580
(b) Additions during the year	1,065,435,377	66,467,769
(c) Reductions during the year	732,634,268	222,020,631
(d) Closing balance	390,170,827	57,369,718
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	53,326,713	41,089,651
(b) Provisions made during the year*	118,381,710	39,615,427
(c) Write-off / write-back of excess provisions	82,549,796	27,378,365
(d) Closing balance	89,158,627	53,326,713

\* includes Rs. 14,518,082/- transferred from Provision for Standard Assets

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**(X) Disclosure of Complaints**

**Customer**

Particulars	
No. of complaints pending at the beginning of the year	-
No. of complaints received during the year	1
No. of complaints redressed during the year	1
No. of complaints pending at the end of the year	-

**(XI)** Disclosure in respect of derivatives, securitisation transactions, consolidated financial statements, overseas assets (for those with joint ventures and subsidiaries abroad), off balance sheet SPV's sponsored are not applicable for the year to the Company.

**35 Provision for Standard Assets**

To ensure that Non-Banking Financial Companies (NBFC) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a Notification No. DNBS.222/CGM(US)-2011 dated January 17, 2011, requiring all NBFCs to make a general provision at 0.25 per cent of the outstanding standard assets. The Company had in the past created provision for standard assets as per guidelines prescribed by the Board of Directors which is sufficient to comply with the aforesaid RBI notification.

Movement in Provision for standard assets	Rupees	Previous year Rupees
(a) Opening balance as at the beginning of the year	277,213,600	277,213,600
(b) Provisions made during the year	-	-
(c) Utilisation of Provisions during the year*	90,081,919	-
(d) Reversal of Provisions during the year*	75,563,837	-
(e) Closing balance as at the end of the year	262,695,518	277,213,600
* Utilisation of provisions (net of reversal) of Rs. 14,518,082/- by way of transfer to Provision for doubtful loans		

**36** The Company has spent Rs.33,200,000/- (Previous year Rs. Nil) towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof.

**37** Figures of previous year have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

*DHL*

For and on behalf of the Board of Directors

*Vishal Kampani*  
Vishal Kampani  
Managing Director  
DIN - 00009079

*V. P. Shetty*  
V. P. Shetty  
Chairman  
DIN - 00021773

*Hemant Kotak*  
Hemant Kotak  
Chief Financial Officer  
Place : Mumbai  
Date : May 26, 2015

*Akshar Biyani*  
Akshar Biyani  
Company Secretary





## **JM FINANCIAL PRODUCTS LTD.**

*Annual Accounts 2014*

**Corporate Identity Number - U74140MH1984PLC033397**

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

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

**BOARD OF DIRECTORS**

Mr. V P Shetty – Chairman  
Mr. Madhukar R Umarji  
Mr. E A Kshirsagar  
Mr. Dharendra Singh  
Mr. Darius E Udwadia  
Mr. Vishal Kampani – Managing Director

**AUDIT COMMITTEE**

Mr. E A Kshirsagar  
Mr. Madhukar R Umarji  
Mr. Dharendra Singh

**CHIEF FINANCIAL OFFICER**

Mr. Hemant Kotak

**COMPANY SECRETARY**

Mr. Ankur Shah

**AUDITORS**

M/s. Deloitte Haskins & Sells  
Chartered Accountants  
Indiabulls Finance Centre,  
Tower 3, 27<sup>th</sup> - 32<sup>nd</sup> Floor,  
Elphinstone Mill Compound,  
Senapati Bapat Marg,  
Elphinstone (W),  
Mumbai – 400 013

**PRINCIPAL BANKERS**

HDFC Bank Limited  
Tulsiani Chambers  
Nariman Point  
Mumbai – 400 021

**REGISTERED OFFICE**

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

**DEBENTURE TRUSTEES**

IDBI Trusteeship Services Limited  
Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai – 400 001  
Tel: +91 22 4080 7000; Fax: +91 22 6631 1776

# Deloitte Haskins & Sells LLP

Chartered Accountants  
Indiabulls Finance Centre  
Tower 3, 27th - 32nd Floor  
Senapati Bapat Marg  
Elphinstone Road (West)  
Mumbai - 400 013  
Maharashtra, India

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JM FINANCIAL PRODUCTS LIMITED

Tel: +91 (022) 6185 4000  
Fax: +91 (022) 6185 4501/4601

### Report on the Financial Statements

1. We have audited the accompanying financial statements of **JM FINANCIAL PRODUCTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 the 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

Regd. Office: 12, Dr. Annie Besant Road, Opp. Shiv Sagar Estate, Worli, Mumbai - 400 018, India

Deloitte Haskins & Sells (Registration No. BA 97449) a partnership firm was converted into Deloitte Haskins & Sells LLP (LLP

Identification No. AAB-8737) a limited liability partnership with effect from 20th November 2013.

# **Deloitte Haskins & Sells LLP**

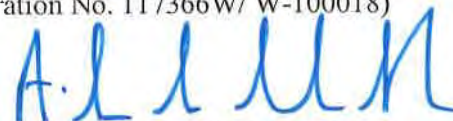
## **Opinion**

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:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
  - (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs).
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/ W-100018)



**(A. SIDDHARTH)**  
(Partner)

(Membership No. 31467)

**Mumbai, dated: 5<sup>th</sup> May, 2014**

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In our opinion and according to the information and explanations given to us, the nature of the Company's business/ activities/ results are such that clauses (ii), (vi), (viii), (x), (xiii), (xviii) and (xx) of paragraph 4 of the Order are not applicable to the Company. In respect of other clauses, we report that:

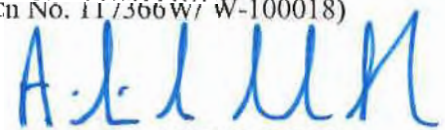
- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) All the fixed assets were physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) The Company has neither granted nor taken loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (iii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of fixed assets and for the sale of services and during the course of our audit we have not observed any continuing failure to correct major weakness in such internal control system.
- (iv) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the Register in pursuance of Section 301 of the Companies Act, 1956.
- (v) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (vi) According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable, except for Income-tax of Rs.3,985,870/-.  
In respect of some of Income-tax assessment years, there are refunds due as per the returned/ assessed income, in excess of the above non-deposits.
  - (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute.

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**Deloitte  
Haskins & Sells LLP**

- (vii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (viii) In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of security by way of pledge of shares and other securities. The Company has not granted loans and advances on the basis of security by way of pledge of debenture.
- (ix) Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by Others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long- term investment.
- (xiii) According to the information and explanations given to us, during the year covered by our audit report, the company has issued 2,920 non-convertible debentures of Rs.1,000,000 each aggregating to Rs.2,920,000,000. The Company has created securities in respect of these secured debentures issued.
- (xiv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/ W-100018)



(A. SIDDHARTH)  
(Partner)

(Membership No. 31467)

**Mumbai, dated: 5<sup>th</sup> May, 2014**



**JM FINANCIAL PRODUCTS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2014**

	Note No.	Rupees	Rupees	As at 31.03.2013 Rupees
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholder's Funds</b>				
Share Capital	2	5,445,000,000		5,445,000,000
Reserves and Surplus	3	4,308,209,279		3,151,300,918
			<b>9,753,209,279</b>	<b>8,596,300,918</b>
<b>Non-Current Liabilities</b>				
Long-term borrowings	4	3,771,236,150		4,248,913,650
Long term provisions	5	285,171,940		285,709,127
			<b>4,056,408,090</b>	<b>4,534,622,777</b>
<b>Current Liabilities</b>				
Short-term borrowings	6	22,342,869,783		29,101,805,642
Trade payables	7	39,934,106		21,564,924
Other current liabilities	8	3,830,646,634		3,190,764,727
Short-term provisions	9	311,871,352		735,158,547
			<b>26,525,321,875</b>	<b>33,049,293,840</b>
<b>TOTAL</b>			<b>40,334,939,244</b>	<b>46,180,217,535</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Fixed assets</b>				
Tangible assets	10	31,326,424		16,677,987
Intangible assets		13,242,461		15,091,706
Non-current investments	11	1,294,420,000		1,454,686,462
Deferred tax assets (net)	12	141,315,862		115,868,864
Long-term loans and advances	13	12,280,063,917		6,681,538,388
			<b>13,760,368,664</b>	<b>8,283,863,407</b>
<b>Current assets</b>				
Stock-in-trade	14	5,342,080,261		5,977,626,528
Cash and bank balances	15	3,848,318,318		7,537,335,316
Short-term loans and advances	16	17,303,763,041		24,295,321,462
Other current assets	17	80,408,960		86,070,822
			<b>26,574,570,580</b>	<b>37,896,354,128</b>
<b>TOTAL</b>			<b>40,334,939,244</b>	<b>46,180,217,535</b>
Notes to the financial statements	1 to 37			

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

A. Siddharth  
Partner

Place : Mumbai  
Date : May 5, 2014

For JM Financial Products Limited

Vishal Kampani  
Managing Director

V. T. Shetty  
Executive Chairman

Ankur Shah  
Company Secretary  
Place : Mumbai  
Date : May 5, 2014





**JM FINANCIAL PRODUCTS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014**

	Note No.	Rupees	Previous Year Rupees
Revenue from operations	18	4,900,081,685	4,748,154,071
Other income	19	391,853,019	769,318,401
<b>TOTAL REVENUE</b>		<b>5,291,934,704</b>	<b>5,517,472,472</b>
<b>EXPENSES</b>			
Employee benefits expense	20	303,186,691	284,811,419
Finance costs	21	2,762,170,971	3,246,545,657
Depreciation / amortization expense		12,649,530	8,331,010
Operating and other expenses	22	192,950,952	152,556,488
<b>TOTAL EXPENSES</b>		<b>3,270,958,144</b>	<b>3,692,244,574</b>
<b>PROFIT BEFORE TAX</b>		<b>2,020,976,560</b>	<b>1,825,227,898</b>
<b>TAX EXPENSE:</b>			
Current tax		688,000,000	572,000,000
Deferred tax		(25,446,998)	(13,277,466)
[Rs. 10,403,864/- in respect of earlier years (previous year Rs. Nil)]			
Short provision for current tax in respect of earlier years		10,403,864	4,334,122
<b>Total</b>		<b>672,956,866</b>	<b>563,056,656</b>
<b>PROFIT FOR THE YEAR</b>		<b>1,348,019,694</b>	<b>1,262,171,242</b>
<b>Earning Per Equity Share</b> (Face value of Rs. 10/- each)			
Basic and Diluted	28	2.48	2.32
Notes to the financial statements	1 to 37		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

A. Siddharth  
Partner  
Place : Mumbai  
Date : May 5, 2014

For JM Financial Products Limited

Vishal Kampani  
Managing Director

V. P. Shetty  
Executive Chairman

Ankur Shah  
Company Secretary  
Place : Mumbai  
Date : May 5, 2014



**JM FINANCIAL PRODUCTS LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2014**

PARTICULARS	Rupees	Previous Year Rupees
<b>A</b>		
Net Profit before tax	2,020,976,560	1,825,227,898
<b>Adjustment for :</b>		
Depreciation/ Amortisation	12,649,530	8,331,010
Loss on fixed assets sold / discarded (net)		1,711,894
Provision for doubtful loans (net)	12,237,062	24,044,317
Interest expenses - Others	2,780,185	2,362,813
Interest Income	(323,434,731)	(584,632,187)
Dividend on current investments	(11,457,654)	(56,739,536)
Dividend on non-current investments	(84)	
Profit on sale of non-current investments (non trade)	(32,063,642)	(544,016)
Profit on sale of current investments	(24,803,520)	(174,888,085)
<b>Operating Profit before Working Capital Changes</b>	<b>1,656,883,706</b>	<b>1,094,874,108</b>
<b>Adjustment for :</b>		
Decrease / (Increase) in loans and advances and other current assets	1,433,116,117	(9,546,709,904)
Decrease / (Increase) in stock-in-trade	635,546,267	(246,808,364)
(Increase) in operating fixed deposits with banks	-	(500,000,000)
(Increase) in interest receivable related to operating activities	(43,003,830)	(16,388,621)
Increase in trade payables, other liabilities and provisions	46,399,916	75,776,966
(Decrease) / Increase in accrued interest expenses related to operating activities	(74,302,162)	149,118,992
<b>Cash generated (used in)/ from operations</b>	<b>3,704,639,714</b>	<b>(8,990,136,823)</b>
Direct taxes paid	(74,094,771)	(541,130,693)
<b>Net Cash from/(used in) Operating Activities (A)</b>	<b>2,980,544,943</b>	<b>(9,531,267,516)</b>
<b>B</b>		
<b>Cash flow from Investing Activities</b>		
Purchase of fixed assets	(25,448,722)	(23,832,510)
Sale of fixed assets		593,170
Sale/ Redemption of non-current investments (net)	186,105,185	51,663,189
Sale of investment in a subsidiary		11,499,940
Purchase of current investments	(70,178,753,782)	(46,342,879,840)
Sale of current investments	70,203,557,301	46,654,321,925
Decrease in other bank balances	2,870,000,000	854,689,657
Interest received	366,764,323	563,554,782
Dividend received	11,457,738	56,739,536
<b>Net Cash from Investing Activities (B)</b>	<b>3,433,682,043</b>	<b>1,826,349,849</b>
<b>C</b>		
<b>Cash flow from Financing Activities</b>		
Proceeds from long term borrowings (net)	165,509,835	4,249,561,366
(Repayments)/ Proceeds from short term borrowings (net)	(6,758,935,859)	4,932,625,139
Interest paid	(2,780,185)	(2,362,813)
Dividend paid (Including Corporate Dividend Tax)	(637,037,775)	(474,623,634)
<b>Net Cash (used in)/ from Financing Activities (C)</b>	<b>(7,233,243,984)</b>	<b>8,705,200,058</b>
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(819,016,998)	1,000,282,391
Cash and cash equivalents at the beginning of the year	1,007,335,316	7,057,925
Cash and cash equivalents at the end of the year	<b>188,318,318</b>	<b>1,007,335,316</b>

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**JM FINANCIAL PRODUCTS LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2014**

Notes:

	Rupees	Previous Year Rupees
(1) <b>Reconciliation of cash and cash equivalents:</b>		
As per Balance Sheet - Note 15	3,848,318,318	7,537,335,316
Less: Balances with banks in deposit	3,660,000,000	6,530,000,000
<b>As per Cash-flow statement</b>	<b>188,318,318</b>	<b>1,007,335,316</b>

- (2) Balances with banks in deposit includes Rs.3,660,000,000/- (Previous year Rs.6,530,000,000/-) placed as securities against overdraft facilities issued by the banks.

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

**A. Siddharth**  
Partner  
Place : Mumbai  
Date : May 5, 2014

For JM Financial Products Limited

**Vishal Kampani**      **P. P. Shetty**  
Managing Director      Executive Chairman

**Ankur Shah**  
Company Secretary  
Place : Mumbai  
Date : May 5, 2014



**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**Note 1**

**Significant Accounting Policies**

**Basis of preparation of financial statements**

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the generally accepted accounting principles in India and as per the provisions of the Companies Act, 1956. ('the Act') and the accounting principles generally accepted in India and comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs), to the extent applicable.

**Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amount of income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actual and estimates are recognised in the period in which the results are known / materialised.

**Fixed Assets**

Fixed Assets are recorded at cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation/ amortization and impairment loss, if any.

**Depreciation**

Depreciation on fixed assets is provided on the straight line method at the following rates:

Fixed Assets	Useful period of life
Vehicles	5 years
Computers	5 years
Office Equipments	5 years
Furniture and Fixtures	10 years
Leasehold Improvements	Period of lease or 10 years, whichever is lower

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

Assets taken on finance lease are depreciated over a period of lease.

**Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. Softwares are amortized over a period of five years, on a straight line basis.

**Impairment loss**

Impairment loss is provided to the extent the carrying amount(s) of assets exceed their recoverable amount(s). Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

**Investments**

Current investments are carried at lower of cost (Scrip wise) and fair value. Non-current investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of non-current investments.

**Stock in Trade**

Stock in trade is carried at lower of cost and fair value. Cost is determined on First in First Out basis.

**Foreign Currency Transactions**

Transactions in foreign currency are recorded at rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency are reported using the closing rates of exchange. Exchange differences arising thereon and on realisation/ payment of foreign exchange are accounted in the relevant year as income or expense.

**Revenue Recognition**

Interest income is recognised on accrual basis except in case of non-performing assets where interest is accounted on realization. In other cases, income is recognised when there is no significant uncertainty as to determination or realization exists.

**Lease Finance**

Income from leased assets is accounted for in the period in which lease rentals fall due, by applying the interest rate implicit in the lease to the net investment in the lease during the period.

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## JM FINANCIAL PRODUCTS LIMITED

### Notes to the financial statements

#### **Provision for Non Performing Assets (NPA) and Standard Assets (SA)**

All loans and other credit exposures, where the installments are overdue for a period of six months or more are classified as NPA. Provision is made in respect of NPA and SA in accordance with the stipulations of Prudential Norms prescribed in the "Non Banking Financials (Non-Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007" by the Reserve Bank of India (RBI). Additional provisions (over and above the provisioning requirements under the Directions as specified by RBI) are also made as per guidelines prescribed by the Board of Directors.

#### **Employee Retirement Benefits**

##### **(a) Post Employment Benefits and Other Long Term Benefits:**

##### **Defined Contribution Plan:**

The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute / Rules.

##### **Defined Benefit Plans:**

In respect of gratuity, provision is made based upon the actuarial valuation done at the end of every quarter using "Projected unit Credit Method". Major drivers in actuarial assumption, typically, are years of services and employees compensation. Gains and losses on changes in actuarial assumption are charged to the profit and loss account.

##### **(b) Short term employee benefits:**

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

#### **Borrowing costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **Taxes on income**

Tax expense comprises both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period. Deferred tax represents effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of existence of carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that deferred tax assets can be realised against future taxable profits.

#### **Provisions and contingencies**

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

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**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

Note No.	As at 31.03.2013	
	Rupees	Rupees
<b>2 SHARE CAPITAL</b>		
<b>Authorised</b>		
1,100,000,000 Equity Shares of Rs.10/- each	11,000,000,000	11,000,000,000
100,000,000 Preference Shares of Rs.10/- each	1,000,000,000	1,000,000,000
<b>TOTAL</b>	<b>12,000,000,000</b>	<b>12,000,000,000</b>
<b>Issued, Subscribed and Paid-up</b>		
544,500,000 equity shares of Rs.10/- each fully paid up	5,445,000,000	5,445,000,000
<b>TOTAL</b>	<b>5,445,000,000</b>	<b>5,445,000,000</b>
2.1	The Company has only one class of shares i.e. equity. The equity shareholders are entitled to dividend as and when dividend is declared and approved by the shareholders. The dividend proposed for the year is Re. 0.30 per share (Previous year Re. 1 per share).	
2.2	<b>Reconciliation of number of shares:</b>	
	<b>Number of shares</b>	
At the beginning of the year	544,500,000	544,500,000
Add: Issued during the year	-	-
At the end of the year	544,500,000	544,500,000
2.3	<b>Details of Shareholding in excess of 5%:</b>	
	<b>Number of shares &amp; % of holding</b>	
<b>Names of the Shareholders</b>		
JM Financial Limited and its nominees (5 shares held by nominees)	490,050,000	490,050,000
	90%	90%
JM Financial Group Employees' Welfare Trust	54,450,000	54,450,000
	10%	10%
<b>3 RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
As per last balance sheet	382,252,000	382,252,000
<b>Statutory Reserve</b>		
(under section 45-IC of The Reserve Bank of India Act, 1934)		
As per last balance sheet	941,900,000	688,900,000
Add : Transfer from the Statement of Profit and Loss	271,000,000	253,000,000
	<b>1,212,900,000</b>	<b>941,900,000</b>
<b>Capital Redemption Reserve</b>		
As per last balance sheet	1,000	1,000
<b>Balance in the Statement of Profit and Loss</b>		
As per last balance sheet	1,827,147,918	1,455,014,451
Profit for the year	1,348,019,694	1,262,171,242
Proposed dividend	(163,350,000)	(544,500,000)
Corporate dividend tax	(27,761,333)	(92,537,775)
Transferred to statutory reserve	(271,000,000)	(253,000,000)
	<b>2,713,056,279</b>	<b>1,827,147,918</b>
<b>TOTAL</b>	<b>4,308,209,279</b>	<b>3,151,300,918</b>

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**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

Note No.	As at	
	Rupees	31.03.2013 Rupees
<b>4 LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Term Loans from Banks (Refer note 4.1)	1,500,000,000	1,500,000,000
Less: Current maturities of Term loans from Banks	(708,333,333)	-
	791,666,667	1,500,000,000
Non-Convertible Debentures (Refer note 4.2 and 4.3)	5,410,000,000	5,195,000,000
Less: Current maturities of Non-Convertible Debentures	(2,390,000,000)	(2,705,000,000)
Less: Unamortised discount on non convertible debentures	(46,195,151)	-
	2,973,804,849	2,490,000,000
Finance lease obligations (Refer note 4.4 and 27)	9,880,639	13,175,653
Less: Current maturities of Finance Lease Obligations	(4,116,005)	(4,262,003)
	5,764,634	8,913,650
<b>Unsecured</b>		
<b>Other loans and advances</b>		
Inter Corporate Deposits (Refer note 4.5)	250,000,000	250,000,000
Less: Current maturities of Inter Corporate Deposits	(250,000,000)	-
	-	250,000,000
<b>TOTAL</b>	<b>3,771,236,150</b>	<b>4,248,913,650</b>

**4.1 Term Loans from Banks :**

a) Term Loans are secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company.

b) Maturity profile and rate of interest of Term Loans:

Maturity profile	Rate of interest	Current Year	Previous Year
2014-15	12%	708,333,333	708,333,333
2015-16	12%	791,666,667	791,666,667
		1,500,000,000	1,500,000,000

**4.2 Non-Convertible Debentures :**

a) Rs.3,890,000,000/- (Previous year Rs.4,125,000,000/-) are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.

b) Rs.1,520,000,000/- (Previous year Rs.1,070,000,000/-) are secured by way of hypothecation on certain identified loan fund balances of the Company.

**4.3 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD) face value of Rs. 1,000,000/- each:**

Particulars	Non Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
11.38% NCD redeemable in year 2016-17	1,000,000,000	-	-	-
11.00% NCD redeemable in year 2015-16*	350,000,000	-	-	-
10.85% NCD redeemable in year 2015-16*	80,000,000	-	-	-
11.40% NCD redeemable in year 2015-16	1,000,000,000	-	-	-
10.85% NCD redeemable in year 2015-16	230,000,000	-	-	-
10.75% NCD redeemable in year 2015-16	160,000,000	-	-	-
10.10% NCD redeemable in year 2015-16	50,000,000	-	-	-
10.40% NCD redeemable in year 2015-16	50,000,000	-	-	-
10.60% NCD redeemable in year 2015-16	100,000,000	100,000,000	-	-
11.00% NCD redeemable in year 2014-15	-	1,650,000,000	1,650,000,000	-
10.50% NCD redeemable in year 2014-15	-	60,000,000	60,000,000	-
10.65% NCD redeemable in year 2014-15	-	300,000,000	300,000,000	-
10.40% NCD redeemable in year 2014-15	-	380,000,000	380,000,000	-
11.90% NCD redeemable in year 2013-14	-	-	-	2,500,000,000
11.25% NCD redeemable in year 2013-14	-	-	-	50,000,000
11.00% NCD redeemable in year 2013-14	-	-	-	75,000,000
11.40% NCD redeemable in year 2013-14	-	-	-	80,000,000
	3,020,000,000	2,490,000,000	2,390,000,000	2,705,000,000

\* issued at discount.

4.4 Finance lease obligations are secured by way of hypothecation of vehicles.

**4.5 Maturity profile and rate of interest of Inter Corporate Deposits:**

Maturity profile	Rate of interest	Current Year	Previous Year
2014-15	9.15%	250,000,000	250,000,000
		250,000,000	250,000,000

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**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

Note No.	Rupees	As at 31.03.2013 Rupees
<b>5 LONG TERM PROVISIONS</b>		
For Standard Assets (Refer note 5.1)	277,213,600	277,213,600
<b>For employee benefits:</b>		
Gratuity (Refer note 25)	7,958,340	8,495,527
<b>TOTAL</b>	<b>285,171,940</b>	<b>285,709,127</b>
<b>5.1</b>	To ensure that Non-Banking Financial Companies (NBFC) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a Notification No. DNBS.222/CGM(US)-2011 dated January 17, 2011, requiring all NBFCs to make a general provision at 0.25 per cent of the outstanding standard assets. The Company had in the past created provision for standard assets as per guidelines prescribed by the Board of Directors which is sufficient to comply with the aforesaid RBI notification.	
<b>6 SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Short Term Loan from bank (Refer note 6.1)	500,000,000	-
<b>Loans repayable on demand</b>		
<b>From banks</b>		
Cash credit facilities (Refer note 6.2)	499,999,766	249,999,793
Overdraft accounts (Refer note 6.3 and note 15.2)	514,785,769	460,582,788
<b>Other loans and advances</b>		
CBLO borrowings (Refer note 6.4)	-	1,290,000,000
<b>Unsecured</b>		
<b>Other loans and advances</b>		
Commercial papers (Refer note 6.5 and note 6.6)	21,718,000,000	25,323,500,000
Less: Unamortised interest on commercial papers	(889,915,757)	(657,276,939)
	20,828,084,248	24,671,223,061
Inter Corporate Deposits		2,430,000,000
<b>TOTAL</b>	<b>22,342,869,783</b>	<b>29,101,805,642</b>
<b>6.1</b>	Short Term Loan from Bank :	
	a) Short Term Loan from bank is secured by way of a floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company.	
	b) Rate of interest of short term loan from bank is 11.20% p.a.	
<b>6.2</b>	Cash credit facility from bank is secured by way of hypothecation on certain identified loan fund balances of the Company	
<b>6.3</b>	Secured against fixed deposits pledged with the banks.	
<b>6.4</b>	Secured against government securities pledged with the Clearing Corporation of India Limited (CCIL).	
<b>6.5</b>	The maximum amount of commercial paper outstanding at any time during the year was Rs.26,038,000,000/- (Previous year Rs.37,806,000,000/-).	
<b>6.6</b>	Interest rate of commercial paper range from 8.30% to 13.25% p.a.	
<b>7</b>	There are no dues payable to Micro and Small Enterprises and therefore disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are not given.	

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## JM FINANCIAL PRODUCTS LIMITED

## Notes to the financial statements

Note No.	As at 31.03.2013	
	Rupees	Rupees
<b>8 OTHER CURRENT LIABILITIES</b>		
<b>Current maturities of long term borrowings:</b>		
-Term Loan from Banks (Refer note 4.1)	708,333,333	-
-Non-Convertible Debentures (Refer note 4.2 and note 4.3)	2,390,000,000	2,705,000,000
-Inter Corporate Deposit (Refer note 4.5)	250,000,000	
-Finance Lease Obligations (Refer note 4.4 and 27)	4,116,005	4,262,003
Interest accrued but not due on borrowings	254,725,111	279,027,573
Income received in advance		10,930,981
Employee benefits payable	213,389,546	176,194,880
Statutory dues	7,982,639	13,349,290
Directors' commission payable	2,100,000	2,000,000
<b>TOTAL</b>	<b>3,830,646,634</b>	<b>3,190,764,727</b>
<b>9 SHORT TERM PROVISIONS</b>		
For Proposed dividend	163,350,000	544,500,000
For Corporate dividend tax	27,761,333	92,537,775
For Taxation (net of advance tax)	61,143,267	52,087,048
For doubtful loans	53,326,713	41,089,651
<b>For employee benefits:</b>		
-Compensated absences	4,551,825	4,454,683
-Gratuity (Refer note 25)	1,738,214	489,390
<b>TOTAL</b>	<b>311,871,352</b>	<b>735,158,547</b>

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## JM FINANCIAL PRODUCTS LIMITED

## Notes to the financial statements

## Note No. 10

## FIXED ASSETS

Description of Assets	Rupees								
	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK
	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	Upto 01.04.2013	For the year	Deductions	Upto 31.03.2014	As at 31.03.2014
<b>TANGIBLE ASSETS</b>									
<b>Own Assets</b>									
Freehold Land (Refer note 10.1)	2,146,300	-	-	2,146,300	-	-	-	-	2,146,300
Furniture and Fixtures	558,885	3,667,197	-	4,226,082	38,194	568,549	-	606,743	3,619,339
Computers	2,614,359	306,601	-	2,920,960	977,412	551,981	-	1,529,393	1,391,567
Office Equipment	49,254	1,383,639	-	1,432,893	18,944	145,852	-	164,796	1,268,097
Leasehold Improvements	-	16,295,768	-	16,295,768	-	2,061,981	-	2,061,981	14,233,787
<b>Leased Assets</b>									
Vehicles (Refer note 10.2)	16,628,993	1,101,172	-	17,730,165	4,285,254	4,777,577	-	9,062,831	8,667,334
<b>TOTAL</b>	<b>21,997,791</b>	<b>22,754,377</b>	<b>-</b>	<b>44,752,168</b>	<b>5,319,804</b>	<b>8,105,940</b>	<b>-</b>	<b>13,425,744</b>	<b>31,326,424</b>
<b>INTANGIBLE ASSETS</b>									
Software	21,843,068	2,694,345	-	24,537,413	6,751,362	4,543,590	-	11,294,952	13,242,461
<b>TOTAL</b>	<b>21,843,068</b>	<b>2,694,345</b>	<b>-</b>	<b>24,537,413</b>	<b>6,751,362</b>	<b>4,543,590</b>	<b>-</b>	<b>11,294,952</b>	<b>13,242,461</b>

## Previous Year

Description of Assets	Rupees								
	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	Upto 01.04.2012	For the year	Deductions	Upto 31.03.2013	As at 31.03.2013
<b>TANGIBLE ASSETS</b>									
<b>Own Assets</b>									
Freehold Land (Refer note 10.1)	2,146,300	-	-	2,146,300	-	-	-	-	2,146,300
Furniture and Fixtures	2,267,659	558,885	2,267,659	558,885	683,128	246,195	891,129	38,194	520,691
Computers	3,331,242	1,064,252	1,781,135	2,614,359	1,725,543	686,780	1,434,911	977,412	1,636,947
Office Equipment	2,418,012	27,939	2,396,697	49,254	1,464,695	445,937	1,892,688	18,944	30,310
Vehicles	2,063,097	-	2,063,097	-	2,063,097	-	2,063,097	-	-
Leasehold Improvements	2,586,404	-	2,586,404	-	2,174,035	334,068	2,508,103	-	-
<b>Leased Assets</b>									
Vehicles (Refer note 10.2)	5,597,044	12,804,934	1,772,985	16,628,993	2,246,706	3,811,533	1,772,985	4,285,254	12,343,739
<b>TOTAL</b>	<b>20,409,758</b>	<b>14,456,010</b>	<b>12,867,977</b>	<b>21,997,791</b>	<b>10,357,204</b>	<b>5,525,513</b>	<b>10,562,913</b>	<b>5,319,804</b>	<b>16,677,987</b>
<b>INTANGIBLE ASSETS</b>									
Software	12,466,568	9,376,500	-	21,843,068	3,945,865	2,805,497	-	6,751,362	15,091,706
<b>TOTAL</b>	<b>12,466,568</b>	<b>9,376,500</b>	<b>-</b>	<b>21,843,068</b>	<b>3,945,865</b>	<b>2,805,497</b>	<b>-</b>	<b>6,751,362</b>	<b>15,091,706</b>

10.1 Mortgaged as security against secured Non-Convertible Debentures (Refer note 4.2)

10.2 Vendors have a lien over assets taken on lease



**JM FINANCIAL PRODUCTS LIMITED**  
Notes to the financial statements

As at 31.03.2013

	Nos./ Units	Rupees	Nos./ Units	Rupees
<b>11 NON-CURRENT INVESTMENTS</b> (Non Trade, Unquoted)				
a) <b>Equity Shares of Rs. 10/- each, Fully Paid Up</b>				
<b>In Subsidiaries:</b>				
JM Financial Services Limited	45,500,000	950,000,000	45,500,000	950,000,000
<b>In Associate:</b>				
CR Retail Malls (India) Limited			7,596,130	160,266,462
b) <b>Preference Shares, Fully Paid Up</b>				
<b>In Others:</b>				
0.01% Class A Compulsorily Convertible Preference Shares of GMR Airports Holding Limited of Rs.1,000/- each	84,398	344,420,000	84,398	344,420,000
<b>TOTAL</b>		<b>1,294,420,000</b>		<b>1,454,686,462</b>
<b>12 DEFERRED TAX ASSETS (NET)</b>			<b>Previous Year</b>	
			<b>Rupees</b>	<b>Rupees</b>
Difference between books and tax written down value of fixed assets			3,448,804	4,065,345
Provision for standard assets			94,224,903	94,224,903
Provision for doubtful loans			18,125,750	13,966,372
Disallowances under section 43B of the Income Tax Act, 1961			25,516,405	3,612,244
<b>TOTAL</b>			<b>141,315,862</b>	<b>115,868,864</b>



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**JM FINANCIAL PRODUCTS LIMITED**  
Notes to the financial statements

Note No.	Rupees	As at 31.03.2013 Rupees
<b>13 LONG TERM LOANS AND ADVANCES</b> (Unsecured unless otherwise stated and considered good)		
<b>Loan funds:</b>		
Secured	12,056,495,973	6,489,733,007
Unsecured	-	75,000,000
	<u>12,056,495,973</u>	<u>6,564,733,007</u>
Advance tax (net of provision for tax)	144,180,617	109,433,487
Security deposits (Refer note 13.1)	76,418,600	6,921,100
Capital advances	2,704,230	-
Staff loans	264,507	450,794
<b>TOTAL</b>	<b><u>12,280,063,917</u></b>	<b><u>6,681,538,388</u></b>
13.1 Details of dues from companies under the same management/ private companies in which a director is member or director:		
<u>Name of the Parties</u>	<u>Current Year</u>	<u>Previous Year</u>
JM Financial Properties and Holdings Limited - Security deposit	64,580,000	-
<b>14 STOCK-IN-TRADE</b> (At lower of cost and fair value)		
Debt Instruments	5,342,080,261	5,977,626,528
<b>TOTAL</b>	<b><u>5,342,080,261</u></b>	<b><u>5,977,626,528</u></b>
14.1 Debt instruments includes interest accrued of Rs.41,373,833/- (Previous year Rs.125,881,970/-).		
14.2 Debt instruments of bodies corporate lying in stock-in-trade at the year end are as follows:		
<u>Particulars</u>	<u>Current Year</u>	<u>Previous Year</u>
<u>Quoted</u>		
980 (Previous year 980) 18% Marvel Omega Builders Private Limited 2015 - NCD	781,214,866	934,689,168
Nil (Previous year 14) 11.80% Tata Steel Limited - Bond	-	15,046,626
Nil (Previous year 7) 12.75% Cholamandalam Investment & Fin Company Limited - Bond	-	3,729,092
Nil (Previous year 500) 9.90% IFCI Limited 2027 - Bond	-	12,998,375
Nil (Previous year 260) 9.90% IFCI Limited 2032 - Bond	-	6,759,155
Nil (Previous year 10,000) 8.10% IRFC 2027 - Bond	-	10,923,103
Nil (Previous year 50) 10.90% Reliance Gas Transportation Infra Limited 2014 - Bond	-	51,579,247
Nil (Previous year 50) 8.94% PFC Limited 2028 - Bond	-	50,073,479
Nil (Previous year 200,000) 11.70% India Infoline Finance Limited 2014 - Bond	-	221,931,491
<u>Unquoted</u>		
10,000 (Previous year Nil) Canara Bank Limited - CD (Maturity 02-June-2014)	983,779,805	-
10,000 (Previous year Nil) Punjab National Bank Limited - CD (Maturity 13-June-2014)	980,894,989	-
10,000 (Previous year Nil) State Bank of Mysore Limited - CD (Maturity 10-June-2014)	981,832,068	-
10,000 (Previous year Nil) Vijaya Bank Limited - CD (Maturity 16-June-2014)	979,959,467	-
350 (Previous year 350) 18.75% Century Real Estate Holdings Private Limited 2014 - NCD	203,978,917	349,961,469
650 (Previous year 650) 19% Century Real Estate Holdings Private Limited 2014 - NCD	378,899,900	650,064,280
Nil (Previous year 2,100,000) 30% Best Golden Developers Private Limited 2014 - NCD	-	210,000,000
Nil (Previous year 2,500,000) Vishwa Vinayak Techno Builders Private Limited 2015 - Bond	-	551,446,445
Nil (Previous year 564) 19% Wadhwa Group Holdings Private Limited 2015 - Bond	-	570,165,370
14.3 Aggregate book value of quoted stock in trade is Rs.817,908,740/- (Previous year Rs.3,542,081,511/-) and market value thereof is Rs.818,008,740/- (Previous year Rs.3,542,597,853/-).		
14.4 Aggregate book value of unquoted stock in trade is Rs.4,482,797,688/- (Previous year Rs.2,309,663,047/-).		
14.5 Aggregate provision for diminution in value of stock in trade is Rs. Nil (Previous year Rs.8,786,950/-).		

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**JM FINANCIAL PRODUCTS LIMITED**

Notes to the financial statements

Note No.		Rupees	As at 31.03.2013 Rupees
<b>15</b>	<b>CASH AND BANK BALANCES</b>		
	<b>Balances with banks</b>		
	<b>Cash and cash equivalents</b>		
	Balances with banks in current accounts	1,718,318	1,708,906
	Balances with banks in deposit accounts	186,600,000	1,005,626,410
		<u>188,318,318</u>	<u>1,007,335,316</u>
	<b>Other bank balances</b> (Refer note 15.1 and note 15.2)		
	In deposit accounts under lien against which overdraft facilities are availed	3,660,000,000	496,607,346
	In deposit accounts under lien against which overdraft facilities are not availed	-	6,033,392,654
		<u>3,660,000,000</u>	<u>6,530,000,000</u>
	<b>TOTAL</b>	<b><u>3,848,318,318</u></b>	<b><u>7,537,335,316</u></b>
15.1	Deposit includes Rs. Nil (Previous year Rs.500,000,000/-) with maturity of more than 12 months.		
15.2	Deposit accounts under lien of Rs. 3,660,000,000/-, (Previous year Rs. 496,607,346/-) against which overdraft facilities amounting to Rs. 514,785,769/- (Previous year Rs. 460,582,788/-) has been availed.		
<b>16</b>	<b>SHORT TERMS LOANS AND ADVANCES</b> (Unsecured unless otherwise stated)		
	<b>Loan funds:</b>		
	Secured	16,174,423,028	22,220,427,623
	Unsecured (Refer note 16.1)	741,216,199	1,636,158,823
		<u>16,915,639,227</u>	<u>23,856,586,446</u>
	Accrued Interest on loan funds	383,597,527	370,599,432
	Security deposits (Refer note 16.1)	366,500	64,946,500
	Others*	4,159,787	3,189,084
	<b>TOTAL</b>	<b><u>17,303,763,041</u></b>	<b><u>24,295,321,462</u></b>
	* includes prepaid expenses, service tax input credit receivable etc.		
16.1	Details of dues from companies under the same management/ private companies in which a director is member or director:		
	<u>Name of the Parties</u>	<u>Current Year</u>	<u>Previous Year</u>
	JM Financial Asset Reconstruction Private Limited -Inter Corporate Deposits	500,000,000	-
	CR Retail Malls (India) Limited - Inter Corporate Deposits	100,000,000	67,500,000
	JM Financial Properties and Holdings Limited -Inter Corporate Deposits	-	368,500,000
	JM Financial Asset Reconstruction Private Limited -Interest receivable	542,466	-
	JM Financial Properties and Holdings Limited - Interest receivable	-	20,198,848
	JM Financial Properties and Holdings Limited - Security deposit	-	64,580,000
<b>17</b>	<b>OTHER CURRENT ASSETS</b>		
	Assets acquired in satisfaction of claims	-	5,336,100
	Accrued interest on deposits with banks	80,408,960	80,734,722
	<b>TOTAL</b>	<b><u>80,408,960</u></b>	<b><u>86,070,822</u></b>

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**JM FINANCIAL PRODUCTS LIMITED**  
Notes to the financial statements

Note No.	Rupees	Previous Year Rupees
<b>18 REVENUE FROM OPERATIONS</b>		
Income from funding activities	3,948,737,581	3,571,729,689
Income from trading in debt instruments (net) (Refer note 14.5)	748,441,639	971,501,212
Interest on debentures (current /non-current investments)	-	15,991,480
Advisory and other fees	202,902,465	188,459,056
Income from loan securitisation		472,634
<b>TOTAL</b>	<b>4,900,081,685</b>	<b>4,748,154,071</b>
<b>19 OTHER INCOME</b>		
<u>Interest on:</u>		
-Fixed deposits with banks	323,399,144	563,417,761
- Others	35,587	21,214,426
	<u>323,434,731</u>	<u>584,632,187</u>
 <u>Dividend on current investments</u>		
- Current	11,457,654	56,739,536
- Non-current	84	
	<u>11,457,738</u>	<u>56,739,536</u>
 <u>Profit on sale of investments:</u>		
- Current	24,803,520	124,888,085
- Non-current (non-trade)	32,063,642	544,016
	<u>56,867,162</u>	<u>125,432,101</u>
 Miscellaneous Income	93,388	2,514,577
<b>TOTAL</b>	<b>391,853,019</b>	<b>769,318,401</b>

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

Note No.	Rupees	Previous Year Rupees
<b>20 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, bonus, other allowances and benefits	296,527,579	277,834,795
Contribution to provident and other funds (Refer note 25)	6,238,132	5,364,567
Staff welfare expenses	420,980	1,612,057
<b>TOTAL</b>	<b>303,186,691</b>	<b>284,811,419</b>
<b>21 FINANCE COSTS</b>		
Interest on fixed loans	2,689,301,566	3,155,604,983
Interest on bank overdraft	70,089,220	88,577,861
Interest on others	2,780,185	2,362,813
<b>TOTAL</b>	<b>2,762,170,971</b>	<b>3,246,545,657</b>
<b>22 OPERATING AND OTHER EXPENSES</b>		
Professional and consultancy charges	41,631,611	35,223,333
Rent (Refer note 27)	70,102,871	29,702,113
Rates and taxes	22,508,991	21,462,004
Membership and subscription	6,645,068	6,275,270
Manpower cost	3,269,035	3,307,283
Auditors' remuneration (Refer note 24)	1,354,287	1,288,736
Electricity	1,897,607	93,210
Communication expenses	1,556,904	1,148,149
Travelling and conveyance	3,712,393	2,511,888
Insurance	2,494,396	2,956,389
Printing and stationery	596,389	432,677
Repairs and maintenance	7,146,275	4,922,408
Loss on fixed assets sold / discarded (net)		1,711,894
Provision for doubtful loans (net)	12,237,062	24,044,317
Donations	4,554,000	4,500,000
Directors' commission	2,223,600	2,000,000
Sitting fees to directors	535,844	399,158
Miscellaneous expenses	10,484,619	10,577,659
<b>TOTAL</b>	<b>192,950,952</b>	<b>152,556,488</b>

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

		Previous year
	Rupees	Rupees
<b>23 Contingent Liabilities and commitments</b>		
(a) Contingent Liabilities not provided for in respect of:		
Estimated liability on account of disallowance u/s 14A of Income Tax Act 1961, for AY 2009-10 and AY 2010-11, for which appeal is pending before CIT (Appeals). The Company is hopeful in succeeding in the aforesaid matter.	5,326,190	3,047,257
(b) Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	2,273,641	-
<b>24 Payment to Auditors': (Excluding service tax)</b>		Previous year
	Rupees	Rupees
Audit Fees	790,000	790,000
In any other manner (Certifications, limited reviews, etc.)	550,000	482,500
Out of pocket expenses	14,287	16,236
<b>TOTAL</b>	<b>1,354,287</b>	<b>1,288,736</b>

**25 Employee Benefits:**

**Defined Contribution Plan:**

Both the employees and the Company make predetermined contributions to the Provident Fund. Amount recognised as expense amounts to Rs. 6,234,532/ (Previous year Rs.5,361,063/-).

**Defined Benefit Plan: [Gratuity (Unfunded)]**

	Rupees	Previous year			
	Rupees	Rupees			
<b>I. Reconciliation of liability recognised in the Balance Sheet</b>					
Fair value of plan assets as at the end of the year					
Present value of obligation as at the end of the year	9,696,554	8,984,917			
Net liability in the Balance Sheet	9,696,554	8,984,917			
<b>II. Movement in net liability recognised in the Balance Sheet</b>					
Net liability as at the beginning of the year	8,984,917	5,011,877			
Net expense recognised in the statement of profit and loss	1,007,043	1,383,194			
Liabilities Assumed on Acquisition / (Settled on Divestiture)	73,323	2,780,348			
Payments during the year	(368,729)	(190,502)			
Net liability as at the end of the year	9,696,554	8,984,917			
<b>III. Expense recognised in the statement of profit and loss (Under the head employee benefit expenses)</b>					
Current Service Cost	708,142	646,982			
Interest Cost	759,042	474,894			
Past Service Cost	-	-			
Actuarial Losses/ (Gains)	(460,141)	261,318			
Expense charged to statement of profit and loss	1,007,043	1,383,194			
<b>IV. Reconciliation of defined benefit commitments</b>					
Commitments at the beginning of the year	8,984,917	5,011,877			
Current Service Cost	708,142	646,982			
Interest Cost	759,042	474,894			
Past Service Cost	-	-			
Actuarial Losses/ (Gains)	(460,141)	261,318			
Liabilities Assumed on Acquisition / (Settled on Divestiture)	73,323	2,780,348			
Benefits Paid	(368,729)	(190,502)			
Commitments at the year end	9,696,554	8,984,917			
<b>V. Experience Adjustments</b>					
	31-Mar-10	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14
Defined Benefit Obligation	2,704,620	4,047,996	5,011,877	8,984,917	9,696,554
Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	(2,704,620)	(4,047,996)	(5,011,877)	(8,984,917)	(9,696,554)
Experience Adj. on Plan Liabilities	893,447	(426,077)	138,707	(152,986)	370,110
Experience Adj. on Plan Assots	-	-	-	-	-

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

VI Actuarial Assumptions		Previous year
Mortality table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount rate (per annum)	9.10%	8.10%
Rate of escalation in salary (per annum)	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**26 Related Party Disclosure:**

**Names of related parties and description of Relationship**

**(i) Names of related parties and description of relationship where control exists**

**Holding Company**

JM Financial Limited

**Subsidiary**

JM Financial Services Limited

JM Financial Properties and Holdings Limited (till October 24, 2012)

JM Financial Commtrade Limited (Downstream Subsidiary) (till March 28, 2014)

JM Financial Insurance Broking Private Limited (Downstream Subsidiary) (till March 28, 2014)

**(ii) Names of related parties and description of relationship where transactions have taken place**

**(A) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise.**

**Holding Company**

JM Financial Limited

**Subsidiary Companies**

JM Financial Services Limited

JM Financial Properties and Holdings Limited (till October 24, 2012)

**Fellow Subsidiaries**

JM Financial Properties and Holdings Limited (from October 25, 2012)

CR Retail Malls (India) Limited (from March 29, 2014)

JM Financial Investment Managers Limited

JM Financial Institutional Securities Limited

JM Financial Asset Management Limited (formerly known as JM Financial Asset Management Private Limited)

Infinite India Investment Management Private Limited

**(B) Associates and joint ventures of the reporting enterprise and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture:**

**Associates**

CR Retail Malls (India) Limited (till March 28, 2014)

**(C) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual:**

**(D) Key Management Personnel and relatives of such Personnel:**

Mr. Vishal Kampani

Mr. V.P. Shetty (from June 1, 2012)

**(E) Enterprises over which any person described in (c) or (d) is able to exercise significant influence:**

JM Financial & Investment Consultancy Services Private Limited

JM Financial Asset Reconstruction Private Limited

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

(iii) Details of transactions with related parties

Name of the related party	Nature of relationship	Previous year	
		Rupees	Rupees
<b>JM Financial Limited</b>	(A)		
Dividend paid (F.Y. 2012-13)		490,050,000	367,537,500
Reimbursement of employees expenses		12,511,372	8,716,411
Reimbursement of expenses (paid)			30,303
Gratuity liability received on transfer of employees			1,763,442
Purchase of fixed assets			3,209
Reimbursement of staff loan (paid)			5,850
Sale of Non Current Investments			500,000
<b>JM Financial Services Limited</b>	(A)		
Inter Corporate Deposits given		1,415,000,000	
Inter Corporate Deposits repaid		1,415,000,000	
Interest income on Inter Corporate Deposits given		1,380,391	
Demat Charges Charged			9,599
Brokerage paid			1,018,775
Reimbursement of expenses (paid)			88
Gratuity liability received on transfer of employees			595,061
Closing balance as at the year end - (credit)			(10,785)
<b>JM Financial Properties and Holdings Limited</b>	(A)		
Reimbursement of expenses (received)			31,152
Redemption of 1 % Optionally Convertible preference shares			11,000,000
<b>JM Financial Properties and Holdings Limited</b>	(A)		
Inter Corporate Deposits given		3,000,000	1,618,500,000
Inter Corporate Deposits repaid		371,500,000	1,250,000,000
Interest Income on Inter Corporate Deposits given		5,372,822	34,256,863
Rent Paid		43,855,200	10,384,080
Reimbursement of expenses (paid)		6,062,751	2,216,402
Security Deposits given			64,580,000
Closing balance as at the year end - Rent Deposit given - debit		64,580,000	64,580,000
Closing balance as at the year end - ICD given - debit			368,500,000
Closing balance as at the year end - Interest Receivable - debit			20,198,848
<b>JM Financial Institutional Securities Limited</b>	(A)		
Inter Corporate Deposits given		2,443,000,000	
Inter Corporate Deposits repaid		2,443,000,000	
Interest income on Inter Corporate Deposits given		2,066,501	
Reimbursement of expenses (paid)		325,487	1,641,973
Gratuity liability received on transfer of employees			358,096
Sale of fixed assets			1,780,698
Purchase of fixed assets			473,414
Brokerage Paid on purchase & sale of Securities			659,131
Closing balance as at the year end - (credit)		(14,186)	

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

Name of the related party	Nature of relationship	Rupees	Previous year
			Rupees
<b>JM Financial Investment Managers Limited</b>	(A)		
Sale of Investments		186,105,185	-
Inter Corporate Deposits given		700,000,000	-
Inter Corporate Deposits repaid		700,000,000	-
Interest income on Inter Corporate Deposits given		421,918	-
<b>JM Financial Asset Management Limited</b>	(A)		
Inter Corporate Deposits given		-	1,150,000,000
Inter Corporate Deposits repaid		-	1,150,000,000
Interest income on Inter Corporate Deposits given		-	8,952,055
Gratuity liability received on transfer of employees		-	63,749
<b>CR Retail Malls (India) Limited</b>	(A)		
Interest income on Inter Corporate Deposits given		98,630	-
Closing balance as at the year end - ICD - debit		100,000,000	-
<b>CR Retail Malls (India) Limited</b>	(B)		
Inter Corporate Deposits given		32,500,000	-
Interest income on Inter Corporate Deposits given		8,044,110	16,349,425
Inter Corporate Deposits repaid		-	129,400,000
Closing balance as at the year end - debit		-	67,500,000
<b>Mr. Vishal Kampani</b>	(D)		
Managerial remuneration		70,058,980	53,266,255
Closing Balance as at the year end - (credit)		(55,000,000)	(40,000,000)
<b>Mr. V.P. Shetty</b>	(D)		
Managerial remuneration		26,924,388	17,519,986
Closing Balance as at the year end - (credit)		(15,000,000)	(90,00,000)
<b>J. M. Financial &amp; Investment Consultancy Services Private Limited</b>	(E)		
Reimbursement of expenses (paid)		73,500	314,896
Gratuity liability received on transfer of employees		73,323	-
Staff loan balance transferred on transfer of employees		195,000	-
<b>JM Financial Asset Reconstruction Private Limited</b>	(E)		
Inter Corporate Deposits given		500,000,000	-
Interest income on Inter Corporate Deposits given		602,740	-
Closing balance as at the year end - ICD - debit		500,000,000	-
Closing balance as at the year end - Interest Receivable (net of TDS) - debit		542,466	-

- 26.1 There are no provision for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.  
26.2 Managerial remuneration excludes provision for gratuity as the incremental liability has been accounted for by the Company as a whole.  
26.3 The transactions disclosed above are exclusive of service tax.

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**27 Lease Transactions:**

**Finance leases**

The Company has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year end are as under:

Due	Total Minimum Lease Payments outstanding as at the year end Rupees	Interest expenses Rupees	Present value of the minimum lease payments Rupees
Not later than one year	6,043,247 (6,910,077)	1,927,247 (2,648,074)	4,116,005 (4,262,003)
Later than one year and not later than five years	7,186,234 (11,847,796)	1,421,600 (2,934,146)	5,764,634 (8,913,650)
Later than five years	(-)	(-)	(-)
<b>TOTAL</b>	<b>13,229,481</b> <b>(18,757,873)</b>	<b>3,348,842</b> <b>(5,582,220)</b>	<b>9,880,639</b> <b>(13,175,653)</b>

Figures in brackets are for previous year.

**Operating leases**

The Company has taken certain premises on non-cancellable operating lease basis. The tenure of such agreements ranges from 6 months to 21 months.

The minimum lease rentals outstanding in respect of these are as under:

Due	Total Minimum Lease Payments outstanding as at 31st March, 2014 Rupees	Total Minimum Lease Payments outstanding as at 31st March, 2013 Rupees
Not later than one year	50,755,200	44,536,320
Later than one year and not later than five years	3,047,500	-
Later than five years	-	-
<b>TOTAL</b>	<b>53,802,700</b>	<b>44,536,320</b>

Lease payments recognised in the Statement of Profit and Loss for the year are Rs. 54,262,616/- (Previous year Rs.11,325,817/-).

The Company has taken certain assets (Premises and Furniture and Fixtures) on cancellable operating lease for the period of 12 to 60 months. Lease payments recognised in the Statement of Profit and Loss for the year in respect thereof aggregate Rs. 15,840,255/- (Previous year Rs. 18,376,296/ ).

**28 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	Previous year	
	Rupees	Rupees
Profit after tax (Rupees)	1,348,019,694	1,262,171,242
Profit attributable to equity shareholders (Rupees)	1,348,019,694	1,262,171,242
Weighted average number of shares outstanding during the year	544,500,000	544,500,000
Basic and Diluted Earnings per share (Rupees)	2.48	2.32
Nominal value per share (Rupees)	10.00	10.00

**29 Expenditure in Foreign Currency:**

Particulars	Previous year	
	Rupees	Rupees
Professional Fees	-	-
Other Expenses	-	-

**30 Information pursuant to RBI Guidelines on Securitisation of standard assets dated February 1, 2006:**

Particulars	Previous year	
	Rupees	Rupees
(i) Total Number of transactions wherein Loan assets securitised	-	-
(ii) Total book value of loan assets securitised - Rupees	-	-
(iii) Total sales consideration received for the securitised assets - Rupees	-	-
(iv) Gain on sale on account of securitisation - Rupees	-	-
(v) Gain recognized in the statement of profit and loss - Rupees	-	472,634
(vi) Outstanding value of any services provided by way of credit enhancement, liquid support, post - securitisation asset servicing etc.	-	-

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

31 Information pursuant to RBI Guidelines on Capital adequacy, liquidity and disclosure norms dated August 1, 2008 :-

(I) Capital risk adequacy ratio (CRAR):

Particulars	Current year	Previous year
CRAR	25.51%	21.66%
CRAR - Tier I capital	25.26%	21.42%
CRAR - Tier II capital	0.24%	0.24%

(II) Exposures:

Exposure to Real Estate Sector

Category	Current year Rupees	Previous year Rupees
a) Direct Exposure		
(i) Residential Mortgages-		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lacs may be shown separately)		
(ii) Commercial Real Estate*-		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits; * Also includes Commercial Real Estate exposure in Stock-in-Trade.	14,179,998,802	9,632,704,851
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures-		
a) Residential,		
b) Commercial Real Estate.		
b) Indirect Exposure		
Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

(III) Asset Liability Management:

Maturity pattern of certain items of assets and liabilities:

Particulars	(Rupees)								
	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowing from Banks	1,014,785,535 (710,582,581)	- (-)	- (-)	125,000,000 (-)	1,083,333,333 (-)	791,666,667 (1,500,000,000)	- (-)	- (-)	3,014,785,535 (2,210,582,581)
Market Borrowings	2,262,940,432 (7,880,815,499)	6,609,153,760 (7,323,164,752)	3,139,849,842 (7,228,730,215)	4,391,657,279 (5,577,204,640)	7,068,598,940 (3,090,569,958)	2,979,569,483 (2,748,913,650)	- (-)	- (-)	26,451,769,736 (33,849,398,714)
<b>Assets</b>									
Advances	2,912,739,366 (1,861,705,098)	2,253,148,479 (2,025,168,452)	1,094,745,985 (914,166,667)	2,224,635,635 (4,028,088,832)	8,698,895,575 (15,597,525,899)	12,239,275,818 (6,392,371,250)	160,386,100 (150,812,550)	- (7,021,102)	29,583,826,958 (30,976,859,850)
Investments	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,294,420,000 (1,454,686,462)	1,294,420,000 (1,454,686,462)

Figures in brackets are for previous year

**Notes:**

- a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.  
b) The above assets does not include Stock-in-Trade acquired from borrowed funds.



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**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the financial statements**

**32 Schedule to the Balance Sheet (as required in terms of Paragraph 13 of Non Banking Financial (Non – Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007):-**

Particulars		Amount outstanding	Amount overdue
<b>Liabilities side</b>			
(1)	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>		
(a)	Debentures		
	(i) Secured	5,597,623,453	-
		(5,426,603,725)	(-)
	(ii) Unsecured (other than falling within the meaning of public deposits)	-	-
		(-)	(-)
(b)	Deferred Credits	-	-
		(-)	(-)
(c)	Term Loans	2,000,000,000	-
		(1,500,000,000)	(-)
(d)	Inter-corporate loans and borrowing	270,906,507	-
		(2,727,423,848)	(-)
(e)	Commercial Paper	20,828,084,248	-
		(24,671,223,061)	(-)
(f)	Other Loans (Please Specify)		
	Overdraft Accounts	514,785,769	-
		(460,582,788)	(-)
	Cash Credits	499,999,766	-
		(249,999,793)	(-)
	CBI.O Borrowing	-	-
		(1,290,000,000)	(-)
	Due under finance lease	9,880,639	-
		(13,175,653)	(-)
<b>Assets side</b>			<b>Amount outstanding</b>
(2)	<b>Break up of Loans and Advances including bills receivables (other than those included in (4) below):</b>		
(a)	Secured		28,230,919,001
			(28,710,160,630)
(b)	Unsecured		741,216,199
			(1,711,158,823)
(3)	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:</b>		
(i)	Lease assets including lease rentals under sundry debtors:		
	(a) Financial Lease		-
			(-)
	(b) Operating Lease		-
			(-)
(ii)	Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		-
			(-)
	(b) Repossessed Assets		-
			(-)
(iii)	Other loans counting towards AFC activities:		
	(a) Loans where assets have been repossessed		-
			(-)
	(b) Loans other than (a) above		-
			(-)

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

<p>(4) <b>Break – up of Investments:</b>  <u>Current Investments:</u>  1. Quoted:  (i) Shares:  (a) Equity  (b) Preference  (ii) Debentures and Bonds  (iii) Units of Mutual Funds  (iv) Government Securities  (v) Others (Please Specify)  Certificate of deposits</p>	<p align="right">- (-) - (-) - (-) - (-) - (-)</p>
<p>2. Unquoted:  (i) Shares:  (a) Equity  (b) Preference  (ii) Debentures and Bonds  (iii) Units of Mutual Funds  (iv) Government Securities  (v) Others (Please Specify)</p>	<p align="right">(-) - (-) - - (-) - (-) - (-)</p>
<p><u>Long Term Investments:</u>  1. Quoted:  (i) Shares:  (a) Equity  (b) Preference  (ii) Debentures and Bonds  (iii) Units of Mutual Funds  (iv) Government Securities  (v) Others (Please Specify)</p>	<p align="right">- (-) - (-) - (-) - (-) - (-)</p>
<p>2. Unquoted:  (i) Shares:  (a) Equity  (b) Preference  (ii) Debentures and Bonds  (iii) Units of Mutual Funds  (iv) Government Securities  (v) Others (Please Specify)</p>	<p align="right">950,000,000  (1,110,266,462)  344,420,000  (344,420,000)  - (-) - (-) - (-) - (-)</p>

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

<b>(5) Borrower group – wise classification of assets financed as in (2) and (3) above:</b>			
<b>Category</b>	<b>Amount net of provisions</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1) Related Parties			
(a) Subsidiaries	-	-	-
	(-)	(-)	(-)
(b) Companies in the same group	-	600,000,000	600,000,000
	(-)	(436,000,000)	(436,000,000)
(c) Other related parties	-	-	-
	(-)	(-)	(-)
2) Other than related parties	28,230,919,001	141,216,199	28,372,135,200
	(28,710,160,630)	(1,275,158,823)	(29,985,319,453)
	<b>28,230,919,001</b>	<b>741,216,199</b>	<b>28,972,135,200</b>
	(28,710,160,630)	(1,711,158,823)	(30,421,319,453)
Less: Provision for non-performing assets			53,326,713
			(41,089,651)
<b>Total</b>			<b>28,918,808,487</b>
			(30,380,229,802)

<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>			
<b>Category</b>		<b>Market Value/ Breakup or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>
1) Related Parties			
(a) Subsidiaries #		2,152,210,616	950,000,000
		(2,136,673,564)	(950,000,000)
(b) Companies in the same group *		-	-
		(160,266,462)	(160,266,462)
(c) Other related parties		-	-
		(-)	(-)
2) Other than related parties *		344,420,000	344,420,000
		(344,420,000)	(344,420,000)
<b>Total</b>		<b>2,496,630,616</b>	<b>1,294,420,000</b>
		(2,641,360,026)	(1,454,686,462)

<b>(7) Other Information:</b>		
<b>Particulars</b>	<b>Amount</b>	
(i) Gross Non – Performing Assets		
(a) Related Parties		-
		(-)
(b) Other than related parties		110,696,431
		(254,012,231)
(ii) Net Non – Performing Assets		
(a) Related Parties		-
		(-)
(b) Other than related parties		57,369,716
		(212,922,580)
(iii) Assets acquired in satisfaction of debt		-
		(5,336,100)

(figures in brackets indicates previous year figures)

\* As the fair value is not available, the same has been stated at cost.

# Based on break-up value.

33 There are no restructured advance as on March 31, 2014, Hence disclosure of information as required in terms of sub-Para 9 of Paragraph 20B of Non Banking Financial (Non – Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended vide Notification No. DNBS(PD).No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

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## JM FINANCIAL PRODUCTS LIMITED

### Notes to the financial statements

#### 34 Segment Information:

(a) Primary Segment of the Company is business segment. The Company has identified two business segments:

- Fund Based Activities: This includes Margin Funding, Initial Public Offering Funding, Loan Against Shares, etc.
- Trading in Debt Securities: This includes purchase and sale of debt securities and related interest income thereon.

Segments have been identified and reported taking into account the nature of services, the differing risks and returns and the internal reporting structure.

(b) Revenues and expenses have been identified to a segment on the basis of relationships to operating activities of the segment. Revenue and expenses which relates to Company as a whole and are not allocable to a segment on reasonable basis have been disclosed as "unallocable".

Segment Assets and Segment liabilities represents assets and liabilities of respective segments. Investments, tax related / other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "unallocable".

(c) Segment information for primary segment reporting (by Business Segment):

Particulars	Funding based activities	Trading in Debt Securities	Total
Segment Revenue	4,151,733,434	748,441,639	4,900,175,073
	<i>3,779,167,436</i>	<i>971,501,212</i>	<i>4,750,668,648</i>
<b>Less:</b>			
Other Income	93,388	-	93,388
	<i>2,514,577</i>	-	<i>2,514,577</i>
Revenue from Operations	4,151,640,046	748,441,639	4,900,081,685
	<i>3,776,652,859</i>	<i>971,501,212</i>	<i>4,748,154,071</i>
Segment Results before unallocated interest and taxes	1,351,932,667	304,723,007	1,656,655,674
	<i>808,994,089</i>	<i>327,760,693</i>	<i>1,136,754,782</i>
Unallocable Corporate Income/(Expenses) (Net)			364,320,886
			<i>688,530,917</i>
Less: Interest Expense			-
			<i>57,801</i>
Profit before Tax			2,020,976,560
			<i>1,825,227,898</i>
Tax Expense			672,956,866
			<i>563,056,656</i>
Net Profit after Tax			1,348,019,694
			<i>1,262,171,242</i>
<b>Other Information:</b>			
Segment Assets	29,983,452,341	5,911,098,907	35,894,551,248
	<i>32,013,984,896</i>	<i>6,504,418,417</i>	<i>38,518,403,313</i>
Unallocable Corporate Assets			4,440,387,996
			<i>8,273,001,510</i>
Total Assets			40,334,939,244
			<i>46,832,494,474</i>
Segment Liabilities	24,697,912,828	5,631,562,537	30,329,475,365
	<i>31,705,115,140</i>	<i>6,472,766,449</i>	<i>38,177,881,589</i>
Unallocable Corporate Liabilities			252,254,600
			<i>58,311,967</i>
Total Liabilities			30,581,729,965
			<i>38,236,193,556</i>
Capital Expenditure	25,423,492	25,230	25,448,722
	<i>21,076,421</i>	<i>2,756,089</i>	<i>23,832,510</i>
Depreciation/ Amortization	12,132,318	517,212	12,649,530
	<i>7,999,127</i>	<i>331,883</i>	<i>8,331,010</i>
Non Cash Expenditure (Loan Funds Written Off)			

Figures in italics indicates previous year figures.

(d) The Company operates in only one geographical segment and hence no further information is provided.

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## JM FINANCIAL PRODUCTS LIMITED

### Notes to the financial statements

#### 35 Employee Stock Option Scheme:

Based on the request made by JM Financial Products Limited ('the Company'), JM Financial Limited, in accordance with Securities And Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company. 523,817 stock options have been granted on April 21, 2011, 745,329 stock options have been granted on April 16, 2012 and 724,998 stock options have been granted on May 6, 2013. The particulars of vesting of the stock options granted to the Employees are given in the below table.

The option shall be eligible for vesting as per following schedule:

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (Rupees)
21st April, 2012	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2013	Series - IV	174,606	Vested	Seven years from the date of Grant	1
21st April, 2014	Series - IV	174,605	To be vested	Seven years from the date of Grant	1
16th April, 2013	Series - V	248,443	Vested	Seven years from the date of Grant	1
16th April, 2014	Series - V	248,443	To be vested	Seven years from the date of Grant	1
16th April, 2015	Series - V	248,443	To be vested	Seven years from the date of Grant	1
6th May, 2014	Series - VI	241,666	To be vested	Seven years from the date of Grant	1
6th May, 2015	Series - VI	241,666	To be vested	Seven years from the date of Grant	1
6th May, 2016	Series - VI	241,666	To be vested	Seven years from the date of Grant	1

The current status of the stock options granted to the Employees is as under:

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	1,127,272	523,817
Granted during the year	724,998	745,329
Transfer in during the year	-	3,934
Lapsed/ forfeited during the year	20,454	-
Exercised during the year	452,501	145,808
Outstanding at the end of the year	1,379,315	1,127,272
Exercisable at the end of the year	1,968	32,732

The charge on account of the above scheme is included in employee benefit expense aggregating Rs. 12,511,372/- (Previous year Rs.8,716,411/-). Since the options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

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**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to the financial statements**

**36 Disclosure required in terms of Clause 28 of Listing Agreement of Debt Securities:**

a) Loans and advances in the nature of loans given to subsidiaries and associates:

Name of the company	Relationship	Maximum Balance	Rupees
			Closing Balance
JM Financial Services Limited	Subsidiary	972,000,000	-
		(-)	(-)
JM Financial Investment Managers Limited	Fellow Subsidiary	700,000,000	(-)
		-	-
JM Financial Institutional Securities Limited	Fellow Subsidiary	1,250,000,000	-
		(-)	(-)
JM Financial Assets Management Limited	Fellow Subsidiary	-	-
		(1,150,000,000)	(-)
JM Financial Properties and Holdings Limited	Subsidiary (up to October 25, 2012) Fellow Subsidiary (w.e.f. October 26, 2012)	368,500,000	-
		-	-
CR Retail Malls (India) Limited	Associate (up to March 28, 2014) Fellow Subsidiary (w.e.f. March 29, 2014)	100,000,000	100,000,000
		(196,900,000)	(67,500,000)
JM Financial Asset Reconstruction Private Limited	Associate of Holding Company	500,000,000	500,000,000
		(-)	(-)

Loans and advances shown above are interest bearing and are repayable on demand.  
(figures in brackets indicates previous year figures)

**37** Figures of previous year have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For JM Financial Products Limited

*Vishal Kampani*  
Vishal Kampani  
Managing Director

*V. P. Shetty*  
V. P. Shetty  
Executive Chairman

*Ankur Shah*  
Ankur Shah  
Company Secretary  
Place : Mumbai  
Date : May 5, 2014



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**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS AT ITS MEETING HELD ON JANUARY 13, 2017**

**“RESOLVED THAT** in supersession of the resolutions passed vide minute no. 12(A) dated July 20, 2015 and minute no. 10 dated October 27, 2016, subject to approval of the members of the Company 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, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and SEBI circular no. Cir./IMD/DF/17/2011 dated September 28, 2011, the Board hereby approves the issue of Non-Convertible Redeemable Debentures (NCDs) aggregating upto Rs. 2,000 crore (Rupees Two Thousand Crore only) including Principal protected, Market linked NCDs to the eligible 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	:	NCDs	Principal protected-Market linked Non-Convertible Redeemable Debentures (NCDs)
Tenor	:	not less than 90 days	not less than 90 days
Rate of interest/Implicit yield	:	between 6% and 14% p.a.	linked to any of the underlying – equity, commodities or bonds including indexes etc.
Face value of the NCDs	:	up to Rs. 1 crore per NCD	up to Rs. 1 crore per NCD.”

**“RESOLVED FURTHER THAT** the proceeds of the issue of NCDs would be utilised by the Company, inter-alia, for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the working capital requirements of the Company, acquisition of securities 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 authority may be admitted for listing on the Debt Market segment of the BSE Limited and/or Wholesale Debt Market Segment of the National Stock Exchange of India 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 exchanges for the purpose of listing.”

**“RESOLVED FURTHER THAT** the Company do issue the Shelf Offer Document/ Disclosure Document (DD) AND THAT each tranche of the said issue of NCDs shall be prepared in accordance with the provisions of:

- a) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, SEBI circular no. Cir./IMD/DF/17/2011 dated September 28, 2011; and /or
- b) the issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, disclosure agreement for issuance of debentures of maturity up to one year issued by Fixed Income Money Market and Derivatives Association of India and RBI Guidelines dated June 27, 2013 and July 2, 2013; and /or

**JM Financial Products Limited**

Corporate Identity Number : U74140MH1984PLC033397

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T: 91 22 6761 7000 F: 91 22 6761 7222

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

T: 91 22 6630 3030 F: 91 22 6630 3223 www.jmfl.com

- c) the Companies (Prospectus and Allotment of Securities) Rules, 2014 under the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** the Sponsorship and Credit Committee of the Board be and is hereby authorised to approve the Offer Document/Disclosure Document and Mr. Shashwat Belapurkar, Ms. Tara Subramaniam, Mr. Hemant Kotak, Mr. Dhruvan Sheth, Ms. Reena Sharda and Mr. Hemant Pandya, be and are hereby severally authorised to issue the said Offer Document/Disclosure Document from time to time.”

**“RESOLVED FURTHER THAT** Mr. V P Shetty, Mr. Vishal Kampani, Mr. Shashwat Belapurkar, Mr. Hemant Kotak, Ms. Bessie Joseph, Mr. Dhruvan Sheth, Mr. Nihal Gandhi, Ms. Reena Sharda Mr. Hemant Pandya, Mr. Pavan Mansukhani, Mr. Nishanth Shetty and Mr. Vaatsal Tandon (“authorised signatories”) be and are hereby severally authorized to appoint trustee(s), rating agencies, registrars and transfer agents and to make, apply, sign and/or execute any writings, applications, agreements, undertakings, hypothecation agreements, debenture trust deed, declarations, contracts, memorandum of understanding, letters of allotment, debenture certificates and/or such other documents, as may be required in connection with the issue of NCDs as above AND THAT they be severally authorized to do all such acts, deeds, matters and things under common seal of the Company as they may, in their absolute discretion, deem necessary, proper or desirable for the purpose of giving effect to the issue of NCDs including the registration of mortgage/trust deed(s) with concerned Sub-Registrar of Assurances.”

**“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 issue of NCDs as above 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, 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, 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 required, with the sub-registrar of assurances.”

**“RESOLVED FURTHER THAT** the authorised signatories be and are hereby severally authorised on behalf of the Company 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.”

**JM Financial Products Limited**

Corporate Identity Number : U74140MH1984PLC033397

Admin. Office: 1st Floor, B Wing, Suashish IT Park, Plot No. 68 E, Off. Dattapada Road, Opp. Tata Steel, Borivali (East), Mumbai 400 066.

T: 91 22 6761 7000 F: 91 22 6761 7222

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

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

**“RESOLVED FURTHER THAT** the Common Seal of the Company, if any, be affixed to all or any of the aforesaid documents in accordance with the Article 180 Articles of Association of the Company in the presence of one of the Directors of the Company or Company Secretary or such other person as may be authorised by the Board or Committee of the Company.”

Certified to be true



**Hemant Kotak**  
Chief Financial Officer

Place : Mumbai  
Date : March 7, 2017

**JM Financial Products Limited**

Corporate Identity Number : U74140MH1984PLC033397

Admin. Office: 1st Floor, B Wing, Suashish IT Park, Plot No. 68 E, Off. Dattapada Road, Opp. Tata Steel, Borivali (East), Mumbai 400 066.  
T: 91 22 6761 7000 F: 91 22 6761 7222

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



**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE MEMBERS AT THE EXTRAORDINARY GENERAL MEETING HELD ON FEBRUARY 10, 2017**

“**RESOLVED THAT** in supersession of the resolution passed by the Members of the Company at their Thirty Second Annual General Meeting held on July 21, 2016 and pursuant to the provisions of Sections 23, 42, 71 and any other applicable provisions of the Companies Act, 2013 read with 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), consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee thereof) to offer, issue and allot secured/unsecured, listed/unlisted, rated, redeemable non-convertible debentures, in one or more series/tranches, aggregating up to Rs. 2,000 Crore (Rupees Two Thousand Crore only), on private placement basis, on such terms and conditions as the Board may, from time to time, determine and consider proper and beneficial to 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.”

Certified to be true



**Hemant Kotak**  
Chief Financial Officer

Place : Mumbai  
Date : March 7, 2017

**JM Financial Products Limited**

Corporate Identity Number : U74140MH1984PLC033397

Admin. Office: 1st Floor, B Wing, Suashish IT Park, Plot No. 68 E, Off. Dattapada Road, Opp. Tata Steel, Borivali (East), Mumbai 400 066.  
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**CERTIFIED TRUE COPY OF THE EXPLANATORY STATEMENT RELATED TO THE SPECIAL RESOLUTION PASSED BY THE MEMBERS AT THE EXTRAORDINARY GENERAL MEETING HELD ON FEBRUARY 10, 2017**

The Members of the Company at their Thirty Second Annual General Meeting held on July 21, 2016, had authorised the Board of Directors to raise funds of up to Rs. 700 Crore by way of issue of Non-Convertible Debentures (NCDs), in one or more tranches.

Considering the increasing business operation and future growth plans, the Board of Directors of the Company, at its meeting held on January 13, 2017, had decided to increase the said limit and seek the Members' consent to issue NCDs aggregating up to Rs. 2,000 Crore in supersession of power to issue NCDs up to Rs. 700 Crore approved by them earlier. Accordingly, the consent of the Members is sought at item no. 2 of the Notice.

The Board commends passing of the Special Resolution set out at item no. 2 of the Notice.

None of the Directors/Key Managerial Personnel of the Company/their relatives are concerned or interested, financially or otherwise (except to the extent of the NCDs that may be offered to, and taken up by them), in the resolution set out at item no. 2 of the Notice.

Certified to be true



**Hemant Kotak**  
Chief Financial Officer

Place : Mumbai  
Date : March 7, 2017

**JM Financial Products Limited**

Corporate Identity Number : U74140MH1984PLC033397

Admin. Office: 1st Floor, B Wing, Suashish IT Park, Plot No. 68 E, Off. Dattapada Road, Opp. Tata Steel, Borivali (East), Mumbai 400 066.  
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## SUPPLEMENTAL DISCLOSURE DOCUMENT

### TRANCHE AT - 2017 (IX)

#### JM FINANCIAL PRODUCTS LIMITED

(Originally incorporated on July 10, 1984, in the name of J.M. Lease Consultants Pvt. Ltd. Name of the Company was changed to JM Financial Products Private Limited w.e.f. June 10, 2005. The Company was converted to a Public Limited Company w.e.f. June 28, 2010 and consequently the name of the Company was changed to JM Financial Products Limited)

Registered Office: 7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025

Tel : (022) 6630 3030 Fax : (022) 6630 3223

Contact Person: Ms. Reena Sharda/Mr. Hemant Kotak

Email: reena.sharda@jmfl.com/hemant.kotak@jmfl.com

**Private Placement of upto 1,700 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (“Debentures” or “NCDs”) of the face value of Rs. 10,00,000/- (Rupees Ten Lakh) each for cash aggregating upto Rs. 170,00,00,000/- (Rupees One Hundred and Seventy Crore only) issued under the Shelf Disclosure Document dated March 8, 2017 (“Disclosure Document” or “DD”) as amended / supplemented from time to time.**

This Supplemental Disclosure Document (“Supplemental DD”) is issued in terms of and pursuant to the Shelf Disclosure Document dated March 8, 2017. All the terms, conditions, information and stipulations contained in the Disclosure Document are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same to the extent applicable. This Supplemental Disclosure Document must be read in conjunction with the Disclosure Document. As Option VI of 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.

This Supplemental DD contains details of this Tranche of private placement of Tranche AT NCDs and material changes, if any, in the information provided in the Disclosure Document, as set out in Part 2. Accordingly set out below are the updated particulars / changes in the particulars set out in the DD issued on March 8, 2017, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the DD. All other particulars appearing in the DD remain unchanged. The Company has also registered itself with BSE Limited to provide Electronic book mechanism for issuance of the NCDs, for the same, the participants will require to adhere to the Circular dated April 21, 2016 issued by SEBI on Electronic book mechanism for issuance of debt securities on private placement basis.

All capitalised terms used but not defined herein shall have the meaning ascribed to them in the DD.

This Supplemental DD is dated May 25, 2017.

**PART 1 – SUMMARY TERM SHEET**  
**TRANCHE AT – 2017 (IX)**

**A. Common Terms of the Tranche AT NCDs**

Issuer	JM Financial Products Limited
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	Please refer paragraph “Who can apply” of this Shelf Disclosure Document.
Listing	<p>The Tranche AT 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 March 8, 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 Tranche AT NCDs.</p> <p>In case of delay in listing of the Tranche AT NCDs beyond 30 days from the deemed date of allotment, the Company will pay penal interest, of 1% p.a. over the interest/coupon rate/implicit yield from the expiry of 30 days from the deemed date of allotment till the listing of such Tranche AT NCDs, to the investor.</p>
Rating of the Instrument	<ul style="list-style-type: none"> <li>• ICRA has assigned a rating of “[ICRA] AA/Stable” to the long term Non-convertible Debenture issue programme of upto Rs. 700,00,00,000/- (Rupees Seven Hundred Crore only) and additionally Rs. 10,00,00,00,000/- (Rupees One Thousand Crore only) of the Company. Instruments with this rating are considered to have the high degree of safety regarding timely payment of financial obligations. Such instruments carry very low credit risk.</li> <li>• CRISIL has assigned a rating of “CRISIL AA/Stable” to the long term Non-convertible Debenture issue programme of upto Rs. 700,00,00,000/- (Rupees Seven Hundred Crore only) and additionally Rs. 10,00,00,00,000/- (Rupees One Thousand Crore only) of the Company. Instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.</li> <li>• ICRA Limited has assigned a rating of “PP-MLD[ICRA]AA/Stable” to the long term Non-convertible Debenture issue programme of upto Rs. 225,00,00,000/- (Rupees Two Hundred and Twenty Five Crore only) and additionally Rs. 200,00,00,000/- (Rupees Two Hundred Crore only) of the Company. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.</li> </ul>

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 by the Company, inter-alia, for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the working capital requirements of the Company, acquisition of securities and for the general corporate purposes of the Company.
Day Count Basis	Actual/ Actual Also refer Disclosure Document.
Interest on Application Money	Not Applicable Also refer Disclosure Document.
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over the applicable interest / coupon rate / implicit yield will be payable by the Company for the defaulting period.
Face Value	Rs. 10,00,000/- (Rs. Ten Lakh only) per Debenture
Minimum Application and in multiples of __ Debt securities thereafter	Minimum 10 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	May 26, 2017 May 26, 2017 May 26, 2017 May 26, 2017
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT / RTGS / NACH /other permitted mechanisms Also refer Disclosure Document.
Depository(ies)	NSDL / 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 and as per SEBI Circular no. CIR/IMD/DF-1/122/2016 dated November 11, 2016. Also refer Disclosure Document.
Record Date	15 days prior to each Coupon Payment/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.	<p>The Tranche AT NCDs being issued under the Disclosure Document will be secured through a first pari passu charge / mortgage / hypothecation over portions of the standard receivables of the Company as may be identified by the Company and as set out in the relevant debenture trust deed / security documents which will be executed by the Company, with a minimum asset cover of 1 time. The Company shall create the security in respect of the NCDs issued under this Shelf DD in favour of the Debenture Trustee within 3 months of its first Issue Closure Date under the Shelf Disclosure Document dated March 8, 2017, i.e. on or before June 8, 2017.</p> <p>Also refer Disclosure Document.</p>
Transaction Documents	Disclosure Document, Supplemental Disclosure Document, Debenture Trust Deed, Debenture Trustee Agreement, Supplemental Debenture Trust Deed and any other document that may be designated by the Debenture Trustee as a Transaction Document.
Conditions Precedent to Disbursement	None
Condition Subsequent to Disbursement	None
Events of Default	As stated in the Shelf DD
Provisions related to Cross Default Clause	None
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 the rules made thereunder, the Debenture Trustee Agreement, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the relevant Debenture Trust Deed and the relevant Debenture Trustee Agreement.
Governing Law and Jurisdiction	The Tranche AT Debentures are governed by and will be construed in accordance with the Indian Law. The Company, the Tranche AT Debentures and Company's obligations under the Tranche AT Debentures shall, at all times, be subject to the provisions of the Companies Act, 2013, regulations/ guidelines/ directions of the Reserve Bank of India, Securities Exchange Board of India and Stock Exchanges and other applicable laws and regulations from time to time. The Tranche AT Debentureholders, by purchasing the Tranche AT Debentures, agree that the courts in Mumbai shall have exclusive jurisdiction with respect to any matters relating to the Tranche AT Debentures.
Registrar and Transfer Agents	Karvy Computershare Private Limited
Trustees	IDBI Trusteeship Services Limited
Valuation agency	ICRA Limited
	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 <a href="http://www.icra.in/mld-valuations.aspx">http://www.icra.in/mld-valuations.aspx</a>

	<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 <a href="https://www.jmfl.com/who-we-are/group-companies">https://www.jmfl.com/who-we-are/group-companies</a></p> <p>The cost of valuation shall be in the range of 0.03% 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 <a href="https://www.jmfl.com/who-we-are/group-companies">https://www.jmfl.com/who-we-are/group-companies</a> and the website of the Valuation Agency at <a href="http://www.icra.in/mld-valuations.aspx">http://www.icra.in/mld-valuations.aspx</a>.</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>
<p>Placement Fee (Applicable for Tranche AT – Option VI NCDs only)</p>	<p>For each of this Debentures/NCDs applied for, a Placement Fee of upto 0.5000% 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.</p>
<p>Early Redemption (Applicable for Tranche AT – Option VI NCDs only)</p>	<p>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 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.</p>

<p>Premature Exit (Applicable for Tranche AT – Option VI NCDs only)</p>	<p>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.</p>
<p>Calculation Agent (Applicable for Tranche AT – Option VI NCDs only)</p>	<p>IIFL Wealth Management Limited or any person duly appointed by the Company</p>

**B. Specific terms of each instrument:**

	<b>Option I</b>	<b>Option II</b>	<b>Option III</b>	<b>Option IV</b>	<b>Option V</b>	<b>Option VI</b>
Security Name	8.6846% JMFPL NCD 23/11/2018	8.6897% JMFPL NCD 23/11/2018 - PO	8.6897% JMFPL NCD 23/11/2018	0% JMFPL NCD 23/11/2018	0% JMFPL NCD 12/05/2020	JMFPL 29/09/2020 MLD
Underlying/Reference Index	None	None	None	None	None	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	None	None	None	None	None	IIFL Wealth Management Limited
Type of Instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures	Secured, Rated, Listed, Redeemable, Principal Protected Market Linked Non-Convertible Debentures
Number of Debentures	200 Debentures	100 Debentures	200 Debentures	500 Debentures	200 Debentures	500 Debentures
Issue Size	Rs. 20.00 Crore	Rs. 10.00 Crore	Rs. 20.00 Crore	Rs. 50.00 Crore	Rs. 20.00 Crore	Rs. 50.00 Crore
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakh) each	Rs. 10,00,000/- (Rupees Ten Lakh) each	Rs. 10,00,000/- (Rupees Ten Lakh) each	Rs. 10,00,000/- (Rupees Ten Lakh) each	Rs. 10,00,000/- (Rupees Ten Lakh) each	Rs. 10,00,000/- (Rupees Ten Lakh) each
Discount at which security is issued and the effective yield as a result of such discount.	None	None	None	None	None	None



	<b>Option I</b>	<b>Option II</b>	<b>Option III</b>	<b>Option IV</b>	<b>Option V</b>	<b>Option VI</b>
Interest/Coupon Rate	8.6846% p.a.	8.6897% p.a.	8.6897% p.a.	Zero Coupon	Zero Coupon	Minimum – 8.95% p.a. (annualised return calculated on XIRR basis), maximum 9.00% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.
Payoff	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	If IGB 6.97 15/05/27 Corp price on final observation date $\geq$ 75% of Digital level, then Payoff = Principal + Maximum Coupon OR If IGB 6.97 15/05/27 Corp price on final observation date $<$ 75% of Digital level but $\geq$ 25% of Digital level, then Payoff = Principal + Minimum Coupon. OR If IGB 6.97 15/05/27 Corp price on final observation date $<$ 25% of Digital level, then Payoff = Principal
Digital level	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	100% of IGB 6.97 15/05/27 Corp price at Initial Observation Date.

	Option I	Option II	Option III	Option IV	Option V	Option VI
Initial level	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	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	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	May 26, 2017
Final Level	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	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	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	August 29, 2020
Implicit yield	8.75% p.a. (XIRR basis)	8.75% p.a. (XIRR basis)	8.75% p.a. (XIRR basis)	8.75% p.a. (XIRR basis)	9.00% p.a. (XIRR basis)	Not Applicable
Step Up/Step Down Coupon Rate	None	None	None	None	None	None
Coupon Payment Frequency	Half yearly and on Maturity	Annually and on Maturity	Annually and on Maturity	Not Applicable	Not Applicable	On Redemption date
Coupon payment dates	November 24, 2017 November 23, 2018	May 25, 2018, November 23, 2018	May 25, 2018, November 23, 2018	Not Applicable	Not Applicable	September 29, 2020

	<b>Option I</b>	<b>Option II</b>	<b>Option III</b>	<b>Option IV</b>	<b>Option V</b>	<b>Option VI</b>
Coupon/ Implicit Yield Type	Fixed	Fixed	Fixed	Not Applicable	Not Applicable	Not Applicable
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	None	None	None	None	None	None
Tenor	546 days	546 days	546 days	546 days	1082 days	1222 days
Contingent Early Redemption Date	Nil	Nil	Nil	Nil	Nil	Nil
Redemption Date	November 23, 2018	November 23, 2018	November 23, 2018	November 23, 2018	May 12, 2020	September 29, 2020
Redemption Premium	None	None	None	Rs. 1,33,689/- per NCD	Rs. 2,91,060/- per NCD	None
Redemption Amount	Rs. 10,86,608/- per NCD (including interest amount of Rs. 86,608/- per NCD)	Rs. 10,43,329/- per NCD (including interest amount of Rs. 43,329/- per NCD)	Rs. 10,43,329/- per NCD (including interest amount of Rs. 43,329/- per NCD)	Rs. 11,33,689/- per NCD	Rs. 12,91,060/- per NCD	Rs. 10,00,000/- plus coupon amount
Put Option Date	None	Option A: November 24, 2017 Option B: May 25, 2018	None	None	None	None
Put Option Price	None	At par	None	None	None	None
Call Option Date	None	None	None	None	None	None
Call Option Price	None	None	None	None	None	None
Put Notification Time	Not Applicable	15 days prior to Put option date	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Call Notification Time	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Cash flows for the above Tranche AT NCDs:

a. NCDs with implicit yield (Option I):

Cash flows	Date	No. of days in redemption	Amount (in Rupees) (per NCD)
<b>1<sup>st</sup> Coupon Amount</b>	Friday, November 24, 2017	182 days	Rs. 43,304/-
<b>2<sup>nd</sup> Coupon and Redemption Amount</b>	Friday, November 23, 2018	364 days	Rs. 10,86,608/- (including interest amount of Rs. 86,608/- per NCD)

b. NCDs with implicit yield (Option II):

If 1<sup>st</sup> Put Option Exercised (Option A)

Cash flows	Date	No. of days in redemption	Amount (in Rupees) (per NCD)
<b>Redemption amount on Put</b>	Friday, November 24, 2017	182 days	Rs. 10,36,400/- (including interest amount of Rs. 36,400/- per NCD)

If 2<sup>nd</sup> Put Option Exercised (Option B)

Cash flows	Date	No. of days in redemption	Amount (in Rupees) (per NCD)
<b>Redemption amount on Put</b>	Friday, May 25, 2018	364 days	Rs. 10,77,786/- (including interest amount of Rs. 77,786/- per NCD)

If none of the Put Option not exercised

Cash flows	Date	No. of days in redemption	Amount (in Rupees) (per NCD)
<b>1<sup>st</sup> Coupon Amount</b>	Friday, May 25, 2018	364 days	Rs. 86,659/-
<b>2<sup>nd</sup> Coupon and Redemption Amount</b>	Friday, November 23, 2018	182 days	Rs. 10,43,329/- (including interest amount of Rs. 43,329/- per NCD)

c. NCDs with implicit yield (Option III):

Cash flows	Date	No. of days in redemption	Amount (in Rupees) (per NCD)
<b>1<sup>st</sup> Coupon Amount</b>	Friday, May 25, 2018	364 days	Rs. 86,659/-
<b>2<sup>nd</sup> Coupon and Redemption Amount</b>	Friday, November 23, 2018	182 days	Rs. 10,43,329/- (including interest amount of Rs. 43,329/- per NCD)

## d. NCDs with implicit yield (Option IV):

<b>Cash flows</b>	<b>Date</b>	<b>No. of days in redemption</b>	<b>Amount (in Rupees) (per NCD)</b>
<b>Redemption amount (including premium)</b>	Friday, November 23, 2018	546 days	Rs. 11,33,689/- (including premium of Rs. 1,33,689/- per NCD)

## e. NCDs with implicit yield (Option V):

<b>Cash flows</b>	<b>Date</b>	<b>No. of days in redemption</b>	<b>Amount (in Rupees) (per NCD)</b>
<b>Redemption amount (including premium)</b>	Tuesday, May 12, 2020	1082 days	Rs. 12,91,060/- (including premium of Rs. 2,91,060/- per NCD)

## f. NCDs with implicit yield (Option VI):

<b>Cash flows</b>	<b>Date</b>	<b>No. of days in redemption</b>	<b>Amount (in Rupees) (per NCD)</b>
<b>Redemption amount (including interest)</b>	Tuesday, September 29, 2020	1222 days	Rs. 10,00,000/- plus the Coupon Amount

Note 1: The Company reserves the right to amend the Tranche timetable.

**Scenario Analysis (For Tranche AT – Option VI NCDs only):**

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 $\geq$ 75% of Digital level, then Payoff = Principal + Maximum Coupon	100.7975	6.68%	$\geq$ 75.5981	$\leq$ 12.59%	9.00%	1,000,000.00	1,334,447.00
	OR							
Substantially falling conditions	If IGB 6.79 15/05/2017 Corp price on final observation date $<$ 75% of Digital level but $\geq$ 25% of Digital level, then Payoff = Principal + Minimum Coupon.	100.7975	6.68%	$<$ 75.5981 but $\geq$ 25.1994	$>$ 12.59% but upto 42.37%	8.95%	1,000,000.00	1,332,399.00
	OR							
Extreme falling conditions	If IGB 6.79 15/05/2017 Corp price on final observation date $<$ 25% of Digital level, then Payoff = Principal	100.7975	6.68%	$<$ 25.1994	$>$ 42.37%	0.00%	1,000,000.00	1,000,000.00

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

**DISCLOSURES AND INFORMATION RELATING TO THE REFERENCE STOCK / UNDERLYING (FOR TRANCHE AT – OPTION VI NCDs ONLY)**
**1. DEFINITIONS**

**1.1 De-listing** has the meaning given to it in Clause 3 on page no. 18;

**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 above, 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 6.97 15/05/27 Corp as specified in table for Terms and Conditions of Debentures/NCDs above.

**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, 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 Supplemental 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 or any of its subsidiaries of its Stocks 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 (FOR TRANCHE AT – OPTION VI NCDS ONLY)**

A. This Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 final term sheets, 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 Supplemental 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 Supplemental 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 Supplemental DD.

For JM Financial Products Limited



**Hemant Kotak**  
Authorised Signatory

Place: Mumbai  
Date: May 25, 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 as amended from time to time)

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

<b>Sr. No.</b>	<b>Disclosure Requirements</b>	<b>Page No.</b>
<b>1.</b>	<b>GENERAL INFORMATION</b>	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office.	Page 18 of DD
b.	Date of incorporation of the company.	July 10, 1984
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	Page 19 -20 of DD
d.	Brief particulars of the management of the company.	Page 25 – 26 of DD
e.	Names, addresses, DIN and occupations of the directors.	Page 25 – 26 of DD
f.	Management’s perception of risk factors.	Pages 9 – 17 of DD
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 18 of DD
<b>2.</b>	<b>PARTICULARS OF THE OFFER</b>	
a.	Date of passing of board resolution.	January 13, 2017
b.	Date of passing of resolution in the general meeting, authorising the offer of securities.	February 10, 2017
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 7 of Supplemental DD
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 7 of Supplemental DD

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.	Supplemental DD at: Page 10 Not Applicable Page 8 Page 3 Page 3
h.	Proposed time schedule for which the offer letter is valid.	Page 3 of Supplemental DD
i.	Purposes and objects of the offer.	Page 3 of Supplemental DD
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 47 - 48 of DD
<b>3.</b>	<b>DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.</b>	
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 to the Annexures provided in DD.
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.	
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 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



<b>4.</b>	<b>FINANCIAL POSITION OF THE COMPANY</b>	
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);	Page 23 of DD
(b)	Size of the present offer; and	Page 7 of Supplemental DD
(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 24 of DD
	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.	Not Applicable
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 36 of DD
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).	Page 21 of DD
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 35 of DD
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	Page 37 - 38 of DD
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	None

**PART 2 – UPDATED INFORMATION**

(Material changes taken place after filing of Shelf Disclosure Document dated March 8, 2017)

**In Section II:**

**DISCLAIMER ON VALUATION (FOR TRANCHE AT – OPTION VI NCDS ONLY):**

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 (FOR TRANCHE AT – OPTION VI NCDS ONLY):**

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 (FOR TRANCHE AT – OPTION VI NCDS ONLY):**

It is advised that the Issuer Company has exercised self due-diligence to ensure complete compliance of prescribed disclosure norms in this Shelf Disclosure Document. The role of the Arranger in the assignment is confined to marketing and placement of the Debentures on the basis of this Shelf 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 Shelf 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.

**The below internal risk factor pt. 21 (For Tranche AT – Option VI NCDs only) be inserted after the internal risk factor on page no. 14 of the DD:**

## **21. 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 and the Supplemental 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 Shelf 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.

**ADDITIONAL RISK FACTORS THAT ARE SPECIFIC TO ISSUE OF MARKET LINKED DEBENTURES (FOR TRANCHE AT – OPTION VI NCDs ONLY):**

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 6.97 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.

**In Section III – Disclosure as per Schedule I of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended**

**A.b. A brief summary of the business / activities of the Issuer and its line of business:**

**A.b.i. Overview:**

The gross lending portfolio stood at Rs. 5,182.82 crore as on March 31, 2017 (Rs. 4,122.41 crore as on December 31, 2016)

**A.b.iii. Key Operational and Financial Parameters for the last three Audited years (on standalone basis):**

The Key Operational and Financial Parameters for the last three Audited Financial year ended March 31, 2017 (on standalone basis) are as under:

(Rs. in lakh)

Particulars	As at 31st March 2017 (audited financials)	As at 31st March 2016 (audited financials)	As at 31st March 2015 (audited financials)
<b>For Financial Entities</b>			
Networth	134,277.87	120,552.10	109,805.81
Total Debt	<b>450,904.23</b>	<b>296,957.94</b>	<b>330,318.94</b>
- Long Term Borrowing	115,012.33	46,163.41	11,069.30
- Short Term Borrowing	291,916.46	235,204.84	288,720.28
- Current maturities of long term borrowing	43,975.44	15,589.69	30,529.36
Net Fixed Assets	496.79	384.38	385.97
Non Current Assets	277,466.04	126,778.08	124,713.19
Cash and bank balances	25,176.74	69,963.35	38,242.99
Current Investments	570.75	702.00	42.92
Current Assets	318,240.01	304,167.38	330,185.83
Current Liabilities	343,703.16	261,526.52	331,319.24
Assets Under Management	-	-	-
Off Balance Sheet Assets	-	-	-
Revenue from operations	68,012.64	52,783.93	65,815.90
Finance costs	34,410.79	27,496.37	37,333.49
Provisioning & write-offs	54.72	-	251.69
PAT	19,722.93	16,743.44	18,829.05
Gross NPA (%)	0.08%	0.65%	1.35%
Net NPA (%)	0.00%	0.37%	1.10%
Tier I Capital Adequacy Ratio (%)	20.64%	29.92%	26.55%
Tier II Capital Adequacy Ratio (%)	0.42%	0.66%	0.70%
Interest coverage ratio	1.88	1.90	1.74
Dividend per share (in Re)	1.00	1.00	1.00

### Gross Debt: Equity Ratio of the Company

Before the issue of NCDs*#	2.44
After the issue of NCDs*^#	3.36

\* As per audited financials as on March 31, 2017

^ Assuming issue of NCDs of Rs. 10,00,00,00,000/- (Rupees One Thousand Crore only)

# Gross debt equity ratio without netting off cash / cash equivalents

### A.d. Details of the shareholding of the Company as on the latest quarter end:

#### A.d.i. Shareholding pattern of the Company as on March 31, 2017:

Sr. No.	Particulars	Total No. of Equity shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares
1.	JM Financial Limited	49,00,49,995	49,00,00,000	90%
2.	JM Financial Limited jointly with five nominees	5	0	0.00%
3.	JM Financial Institutional Securities Limited	5,04,61,850	5,04,61,850	9.27%
4.	JM Financial Group Employees' Welfare Trust	39,88,150	39,88,150	0.73%
	<b>Total</b>	<b>54,45,00,000</b>	<b>54,44,50,000</b>	<b>100%</b>

Notes: The promoters have not pledged or encumbered any shares of the Company.

#### A.d.ii. List of top 10 holders of equity shares of the Company as on the latest quarter end:

The list of top 10 holders of equity shares of the Company as on March 31, 2017 is as under:

Sr. No.	Name of Shareholders	Total No. of Equity shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares
1.	JM Financial Limited	49,00,49,995	49,00,00,000	90%
2.	JM Financial Institutional Securities Limited	5,04,61,850	5,04,61,850	9.27%
3.	JM Financial Group Employees' Welfare Trust	39,88,150	39,88,150	0.73%
4.	JM Financial Limited jointly with Mr. P K Choksi	1	0	—
5.	JM Financial Limited jointly with Mr. S R Nayak	1	0	—
6.	JM Financial Limited jointly with Mr. Manish Sheth	1	0	—
7.	JM Financial Limited jointly with Ms. Dipti Neelakantan	1	0	—
8.	JM Financial Limited jointly with Mr. Hemant Kotak	1	0	—
	<b>TOTAL</b>	<b>54,45,00,000</b>	<b>54,44,50,000</b>	<b>100%</b>

**A.e. Following details of the directors of the Company:****A.e.i. Details of the current directors of the Company as on March 31, 2017:**

Sr. No.	Name, Designation	DIN	Age	Address	Director of the Company since	Occupation
1.	Mr. Vaddarse Prabhakar Shetty, Non - Executive Chairman	00021773	67	7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	21/04/2008	Service
2.	Mr. Vishal Kampani, Managing Director	00009079	37	7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	21/04/2008	Service
3.	Mr. Madhukar R Umarji, Non - Executive Director	00307435	73	B-702, Pataliputra CHS, Four Bungalows, Andheri (West), Mumbai – 400 05	11/12/2008	Professional
4.	Mr. Eknath A Kshirsagar, Independent Director	00121824	73	19, Tarangini, Twin Tower Road, Prabhadevi, Mumbai 400 025	10/05/2010	Professional
5.	Mr. Dharendra Singh, Independent Director	00852815	69	Flat 102, Earth Court 2, Jaypee Greens, G-Block, Surajpur, Kasna Road, Greater Noida-201306	12/07/2010	Retired
6.	Ms. Roshini Bakshi, Independent Director	01832163	48	1103-B, Surya Apartments Bhulabhai Desai Road Mumbai 400026	21/01/2015	Service

To the best of the Company's knowledge and belief, none of the current Directors are appearing in the RBI defaulter list.



**Details of other directorship of the current directors of the Company as on March 31, 2017:**

Sr. No.	Name of the Director	Details of other directorship
1.	Mr. Vaddarse Prabhakar Shetty	JM Financial Credit Solutions Limited JM Financial Asset Reconstruction Company Private Limited JM Financial Asset Management Limited JM Financial Home Loans Limited Hotel Leelaventure Limited
2.	Mr. Vishal Kampani	JM Financial Limited JM Financial Credit Solutions Limited JM Financial Institutional Securities Limited JM Financial Services Limited JM Financial Investment Managers Limited Infinite India Investment Management Limited J. M. Financial & Investment Consultancy Services Private Limited Capital Market Publishers India Private Limited JM Financial Singapore Pte. Limited
3.	Mr. Madhukar R Umarji	Strides Shasun Limited ITZ Cash Card Limited ITZ Cash Payment Solutions Limited Uniparts India Limited Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) (a section 25 company) International Asset Reconstruction Company Private Limited Universal Trusteeship Services Limited
4.	Mr. Eknath A Kshirsagar	Batliboi Limited Hawkins Cookers Limited Manappuram Finance Limited Manipal Global Education Services Private Limited JM Financial Limited
5.	Mr. Dharendra Singh	HCL Infosystems Limited HCL Infotech Limited Digilife Distribution and Marketing Services Limited HCL Services Limited
6.	Ms. Roshini Bakshi	Burger King India Private Limited



**A.g. Details of Borrowings of the Company, as on the latest quarter end:****A.g.i. Details of Secured Loan Facilities as on March 31, 2017:**

Type of Facility	Amount Sanctioned (Rs. in crore)	Principal Amount Outstanding (Rs. in crore)	Repayment date / Schedule	Security
Overdraft against Fixed Deposit	26.13	-	No fixed date of repayment	Fixed deposit
Overdraft against Fixed Deposit	22.50	-	No fixed date of repayment	Fixed deposit
Cash Credit / WCDL	200.00	-	No fixed date of repayment	Charge on receivable
Term Loan	400.00	400.00	**Refer repayment schedule below	Charge on receivable
<b>Total</b>	<b>648.63</b>	<b>400.00</b>		

**Repayment schedule of secured loans from banks**

\*\*Notes

State Bank of India	March 30, 2018	20.00
State Bank of India	April 30, 2018	20.00
State Bank of India	May 31, 2018	20.00
State Bank of India	June 30, 2018	20.00
State Bank of India	July 31, 2018	20.00
State Bank of India	August 31, 2018	20.00
State Bank of India	September 30, 2018	20.00
State Bank of India	October 31, 2018	20.00
State Bank of India	November 30, 2018	20.00
State Bank of India	December 31, 2018	20.00
State Bank of India	September 22, 2019	11.11
State Bank of India	October 22, 2019	11.11
State Bank of India	November 22, 2019	11.11
State Bank of India	December 22, 2019	11.11
State Bank of India	January 22, 2020	11.11
State Bank of India	February 22, 2020	11.11
State Bank of India	March 22, 2020	11.11
State Bank of India	April 22, 2020	11.11
State Bank of India	May 22, 2020	11.11
State Bank of India	June 22, 2020	11.11
State Bank of India	July 22, 2020	11.11
State Bank of India	August 22, 2020	11.11
State Bank of India	September 22, 2020	11.11
State Bank of India	October 22, 2020	11.11
State Bank of India	November 22, 2020	11.11
State Bank of India	December 22, 2020	11.11
State Bank of India	January 22, 2021	11.11
State Bank of India	February 22, 2021	11.13
<b>Total</b>		<b>400.00</b>

**A.g.ii. Details of Unsecured Loan Facilities as on March 31, 2017:**

Type of Facility	Amount Sanctioned (Rs. In Crore)	Principal Amount Outstanding (Rs. In Crore)	Repayment date / Schedule
CP	70.00	70.00	April 3, 2017
CP	35.00	35.00	April 3, 2017
ICD	25.00	25.00	April 13, 2017
CP	75.00	75.00	April 17, 2017
CP	25.00	25.00	April 18, 2017
CP	25.00	25.00	April 18, 2017
CP	25.00	25.00	April 20, 2017
CP	50.00	50.00	April 21, 2017
CP	25.00	25.00	April 24, 2017
CP	50.00	50.00	April 28, 2017
CP	50.00	50.00	April 28, 2017
CP	75.00	75.00	May 3, 2017
CP	10.00	10.00	May 15, 2017
CP	3.00	3.00	May 15, 2017
CP	30.00	30.00	May 15, 2017
CP	100.00	100.00	May 22, 2017
CP	20.00	20.00	May 25, 2017
CP	50.00	50.00	June 12, 2017
CP	50.00	50.00	June 13, 2017
CP	100.00	100.00	June 15, 2017
CP	50.00	50.00	June 16, 2017
CP	50.00	50.00	June 19, 2017
CP	100.00	100.00	June 20, 2017
CP	7.00	7.00	June 20, 2017
CP	25.00	25.00	June 22, 2017
CP	25.00	25.00	June 23, 2017
CP	75.00	75.00	June 23, 2017
CP	15.00	15.00	June 23, 2017
CP	10.00	10.00	June 23, 2017
CP	25.00	25.00	June 27, 2017
CP	50.00	50.00	June 28, 2017
CP	75.00	75.00	July 25, 2017
CP	8.35	8.35	July 26, 2017
CP	8.35	8.35	July 26, 2017
CP	100.00	100.00	August 8, 2017
CP	50.00	50.00	August 18, 2017
CP	50.00	50.00	August 22, 2017
CP	25.00	25.00	August 28, 2017
CP	50.00	50.00	August 31, 2017

Type of Facility	Amount Sanctioned (Rs. In Crore)	Principal Amount Outstanding (Rs. In Crore)	Repayment date / Schedule
CP	125.00	125.00	September 21, 2017
CP	25.00	25.00	September 22, 2017
CP	50.00	50.00	September 25, 2017
CP	25.00	25.00	September 26, 2017
CP	25.00	25.00	September 26, 2017
CP	25.00	25.00	September 28, 2017
CP	7.00	7.00	October 5, 2017
CP	30.00	30.00	October 13, 2017
CP	50.00	50.00	October 30, 2017
CP	15.00	15.00	November 17, 2017
CP	15.00	15.00	November 30, 2017
CP	10.00	10.00	November 30, 2017
CP	75.00	75.00	December 6, 2017
CP	75.00	75.00	December 6, 2017
CP	75.00	75.00	December 12, 2017
CP	50.00	50.00	December 20, 2017
CP	50.00	50.00	December 20, 2017
CP	100.00	100.00	February 5, 2018
CP	50.00	50.00	February 23, 2018
CP	200.00	200.00	March 1, 2018
CP	250.00	250.00	March 14, 2018
NCD	177.00	177.00	March 28, 2018
<b>Total</b>	<b>3,195.70</b>	<b>3,195.70</b>	

**A.g.iii. Details of NCDs as on March 31, 2017:**

Debenture series	Tenor/ period of maturity	Coupon (p.a.)	Amount (Rs. in crore)	Date of Allotment	Redemption Date/ Schedule	Secured/ Unsecured	Security
Tranche T	564 days	9.5495%	50.00	October 29, 2015	May 15, 2017	Secured	Immoveable property & identified receivables
Tranche U - Option II	504 days	0%	40.00	February 4, 2016	June 22, 2017	Secured	
Tranche V	1092 days	0%	3.00	February 5, 2016	February 1, 2019	Secured	
Tranche W	1128 days	0%	4.40	March 1, 2016	April 3, 2019	Secured	
Tranche X	1126 days	0%	3.50	March 22, 2016	April 22, 2019	Secured	
Tranche Y	1106 days	0%	5.40	April 11, 2016	April 22, 2019	Secured	
Tranche Z	1091 days	0%	7.80	April 29, 2016	April 25, 2019	Secured	

Debt series	Tenor/ period of maturity	Coupon (p.a.)	Amount (Rs. in crore)	Date of Allotment	Redemption Date/ Schedule	Secured/ Unsecured	Security
Tranche AA	1097 days	Minimum – 9.30% p.a. (annualised return calculated on XIRR basis), maximum 9.40% p.a. (annualised return calculated on XIRR basis)	5.00	June 9, 2016	June 11, 2019	Secured	
Tranche AB	548 days	0%	10.00	June 13, 2016	December 13, 2017	Secured	
Tranche AC – Option I	1062 days	0%	6.20	June 16, 2016	May 14, 2019	Secured	
Tranche AC – Option II	1076 days	0%	6.60	June 16, 2016	May 28, 2019	Secured	
Tranche AC – Option III	1097 days	0%	5.00	June 16, 2016	June 18, 2019	Secured	
Tranche AD – Option I	1076 days	0%	2.80	July 21, 2016	July 2, 2019	Secured	
Tranche AD – Option II	1097 days	0%	6.30	July 21, 2016	July 23, 2019	Secured	
Tranche AE	456 days	Minimum – 8.70% p.a. (annualised return calculated on XIRR basis), maximum 8.80% p.a. (annualised return calculated on XIRR basis)	25.00	August 16, 2016	November 15, 2017	Secured	
Tranche AF – Option I	1064 days	0%	11.00	September 6, 2016	August 6, 2019	Secured	
Tranche AF – Option II	1085 days	0%	5.70	September 6, 2016	August 27, 2019	Secured	
Tranche AG	456 days	Minimum – 8.70% p.a. (annualised return calculated on XIRR basis), maximum 8.80% p.a. (annualised return calculated on XIRR basis)	30.00	September 22, 2016	December 22, 2017	Secured	Immoveable property & identified receivables
Tranche AH	426 days	Minimum – 8.75% p.a. (annualised return calculated on XIRR basis), maximum 8.80% p.a. (annualised return calculated on XIRR basis)	12.50	September 30, 2016	November 30, 2017	Secured	
Tranche AI	458 days	Minimum – 8.35% p.a. (annualised return calculated on XIRR basis), maximum 8.40% p.a. (annualised return calculated on XIRR basis)	25.00	October 21, 2016	January 22, 2018	Secured	

Debt series	Tenor/ period of maturity	Coupon (p.a.)	Amount (Rs. in crore)	Date of Allotment	Redemption Date/ Schedule	Secured/ Unsecured	Security	
Tranche AJ	555 days	8.8145%	100.00	November 23, 2016	June 1, 2018	Secured		
Tranche AK – Option I	446 days	0%	50.00	December 28, 2016	March 19, 2018	Secured		
Tranche AK – Option II	537 days	0%	50.00	December 28, 2016	June 18, 2018	Secured		
Tranche AL	456 days	Minimum – 8.35% p.a. (annualised return calculated on XIRR basis), maximum 8.40% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.	25.00	January 5, 2017	April 6, 2018	Secured		
Tranche AN	1170 days	0%	4.60	January 23, 2017	April 7, 2020	Secured		
Tranche AM – Option I	1216 days	0%	63.00	January 12, 2017	May 12, 2020	Secured		
Tranche AM – Option II	1208 days	0%	1.80	January 12, 2017	May 4, 2020	Secured		
Tranche AO	453 days	<b>Scenario</b>	25.00	February 17, 2017	May 16, 2018	Secured	Immoveable property & identified receivables	
		If Final Fixing Level < Digital Level						0.00%
		If Final Fixing Level >= Digital Level						10.3388%
Tranche AP – Option I	457 days	Minimum – 8.35% p.a. (annualised return calculated on XIRR basis), maximum 8.40% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.	10.00	February 27, 2017	May 30, 2018	Secured		
Tranche AP – Option II	574 days	8.8920 % p.a.	30.00	February 27, 2017	September 24, 2018	Secured		
Tranche AP – Option III	1220 days	0%	5.70	February 27, 2017	July 1, 2020	Secured		
Tranche AQ – Option I	547 days	8.8878% p. a.	40.00	March 9, 2017	September 7, 2018	Secured		
Tranche AQ – Option II	547 days	8.8878% p. a.	25.00	March 9, 2017	September 7, 2018	Secured		

Debenture series	Tenor/ period of maturity	Coupon (p.a.)	Amount (Rs. in crore)	Date of Allotment	Redemption Date/ Schedule	Secured/ Unsecured	Security
Tranche AQ – Option III	551 days	8.40%	75.00	March 9, 2017	September 11, 2018	Secured	Immoveable property & identified receivables
Tranche AQ – Option IV	560 days	0%	50.00	March 9, 2017	September 20, 2018	Secured	
Tranche AQ – Option V	537 days	0%	100.00	March 9, 2017	August 31, 2018	Secured	
Tranche AQ – Option VI	540 days	0%	50.00	March 9, 2017	September 7, 2018	Secured	
Tranche AQ – Option VII	519 days	8.8803% p.a.	15.00	March 9, 2017	August 10, 2018	Secured	
Tranche AR – Option I	534 days	0%	25.00	March 22, 2017	September 7, 2018	Secured	
Tranche AR – Option II	1141 days	0%	2.00	March 22, 2017	May 6, 2020	Secured	
Tranche I	369 days	8.75% p. a.	177.00	March 24, 2017	March 28, 2018	Unsecured	

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

Sr. No.	Name of Debenture Holders	Amount (Rs. in crore)
1.	Adani Ports And Special Economic Zone Limited	177.00
2.	IDFC Money Manager Fund - Treasury Plan	100.00
3.	Reliance Capital Trustee Co Ltd A/C-Reliance Money	100.00
4.	L & T Mutual Fund Trustee Limited - L&T FMP - SERI	63.00
5.	DSP Blackrock Liquidity Fund	50.00
6.	Reliance Capital Trustee Co Ltd A/C Reliance Medium Term Fund	50.00
7.	Reliance Capital Trustee Co Ltd A/C Reliance Medium Term Fund	50.00
8.	Sundaram Ultra Short Term Fund	50.00
9.	HDFC Trustee Company Ltd - HDFC Short Term Plan	50.00
10.	HSBC Income Fund - Short Term Plan	50.00

**A.g.vi. Details of Commercial Paper as on March 31, 2017:**

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

(Rs. in crore)

Maturity Date	Amount Outstanding (Face Value)
April 3, 2017	105.00
April 17, 2017	75.00
April 18, 2017	50.00
April 20, 2017	25.00
April 21, 2017	50.00

Maturity Date	Amount Outstanding (Face Value)
April 24, 2017	25.00
April 28, 2017	100.00
May 3, 2017	75.00
May 15, 2017	43.00
May 22, 2017	100.00
May 25, 2017	20.00
June 12, 2017	50.00
June 13, 2017	50.00
June 15, 2017	100.00
June 16, 2017	50.00
June 19, 2017	50.00
June 20, 2017	107.00
June 22, 2017	25.00
June 23, 2017	125.00
June 27, 2017	25.00
June 28, 2017	50.00
July 25, 2017	75.00
July 26, 2017	16.70
August 8, 2017	100.00
August 18, 2017	50.00
August 22, 2017	50.00
August 28, 2017	25.00
August 31, 2017	50.00
September 21, 2017	125.00
September 22, 2017	25.00
September 25, 2017	50.00
September 26, 2017	50.00
September 28, 2017	25.00
October 5, 2017	7.00
October 13, 2017	30.00
October 30, 2017	50.00
November 17, 2017	15.00
November 30, 2017	25.00
December 6, 2017	150.00
December 12, 2017	75.00
December 20, 2017	100.00
February 5, 2018	100.00
February 23, 2018	50.00
March 1, 2018	200.00
March 14, 2018	250.00
<b>Total</b>	<b>2,993.70</b>

**A.i. & j. Abridged version of audited standalone financial information for the last three years ended March 31, 2017:**

(Rs in lakh)

Sr. No.	Particulars	As per audited financials As at 31st March 2017	As per audited financials As at 31st March 2016	As per audited financials As at 31st March 2015
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholder's Funds</b>			
	Share Capital	54,450.00	54,450.00	54,450.00
	Reserves and Surplus	79,827.87	66,102.10	55,355.81
		<b>134,277.87</b>	<b>120,552.10</b>	<b>109,805.81</b>
<b>2</b>	<b>Non-Current Liabilities</b>			
	Long-term borrowings	115,012.33	46,163.41	11,069.30
	Long term provisions	2,712.70	2,703.43	2,704.67
		<b>117,725.03</b>	<b>48,866.84</b>	<b>13,773.96</b>
<b>3</b>	<b>Current Liabilities</b>			
	Short-term borrowings	291,916.46	235,204.84	288,720.28
	Trade payables	1,359.12	466.04	183.36
	Other current liabilities	49,678.74	18,456.37	34,494.85
	Short-term provisions	748.84	7,399.26	7,920.75
		<b>343,703.16</b>	<b>261,526.52</b>	<b>331,319.24</b>
	<b>TOTAL</b>	<b>595,706.06</b>	<b>430,945.46</b>	<b>454,899.02</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Fixed assets			
	Tangible assets	405.97	274.98	253.48
	Intangible assets	90.82	109.40	132.49
	Non-current investments	43,026.97	9,808.39	19,308.39
	Deferred tax assets (net)	1,242.64	1,382.91	1,471.79
	Long-term loans and advances	232,699.65	115,202.40	103,547.03
		<b>277,466.04</b>	<b>126,778.08</b>	<b>124,713.19</b>
<b>2</b>	<b>Current assets</b>			
	Current investments	570.75	702.00	42.92
	Stock-in-trade	985.68	25,689.42	35,900.76
	Cash and bank balances	25,176.74	69,963.35	38,242.99
	Short-term loans and advances	291,493.30	203,920.84	255,611.15
	Other current assets	13.56	3,891.78	388.01
		<b>318,240.01</b>	<b>304,167.38</b>	<b>330,185.83</b>
	<b>TOTAL</b>	<b>595,706.06</b>	<b>430,945.46</b>	<b>454,899.02</b>

Notes:

1. Figures in respect of the previous year(s) have been rearranged wherever necessary to correspond with the figures of the current year.



(Rs in lakh)

		As per audited financials	As per audited financials	As per audited financials
Sr. No.	Particulars	Year ended 31st March 2017	Year ended 31st March 2016	Year ended 31st March 2015
	<b>INCOME</b>			
	<b>Revenue from Operations</b>			
1	Income from funding activities	60,303.18	46,390.34	54,028.68
2	Income from debt instruments trading (net)	3,669.75	3,167.43	8,451.28
3	Interest on debentures	759.28	-	162.85
4	Advisory and other fees	3,280.43	3,226.16	3,173.09
5	Income from securitisation	-	-	-
	<b>Total</b>	<b>68,012.64</b>	<b>52,783.93</b>	<b>65,815.90</b>
	<b>Other Income</b>			
1	Interest on Fixed Deposits with Banks and Others	377.90	721.73	2,600.46
2	Dividend	7.20	2,103.25	152.39
3	Profit on sale of investments	1,665.28	278.35	1,645.96
4	Provision for bonus written back	126.00	23.00	12.38
5	Provision for doubtful loans written back	447.27	30.04	19.27
6	Other Income	3.37	7.97	1.75
	<b>Total</b>	<b>2,627.02</b>	<b>3,164.34</b>	<b>4,432.22</b>
	<b>Gross Total Income</b>	<b>70,639.66</b>	<b>55,948.27</b>	<b>70,248.12</b>
	<b>EXPENDITURE</b>			
1	Employee benefit expenses	2,336.84	1,563.59	2,732.98
2	Finance cost	34,410.79	27,496.37	37,333.49
3	Depreciation/ amortisation	212.50	154.56	139.46
4	Operating and other expenses	3,346.34	2,045.16	2,320.82
	<b>Total</b>	<b>40,306.46</b>	<b>31,259.69</b>	<b>42,526.75</b>
	<b>Profit before provision for standard assets and tax</b>	<b>30,333.20</b>	<b>24,688.59</b>	<b>27,721.37</b>
	<b>Provision for Standard Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Profit before Tax</b>	<b>30,333.20</b>	<b>24,688.59</b>	<b>27,721.37</b>
	<b>Tax Expense</b>			
1	Current Tax	10,470.00	7,830.00	8,950.00
2	Deferred Tax	140.27	88.88	(57.68)
3	Short provision for tax in respect of earlier years	-	26.26	-
		<b>10,610.27</b>	<b>7,945.15</b>	<b>8,892.32</b>
	<b>Profit after Tax</b>	<b>19,722.93</b>	<b>16,743.44</b>	<b>18,829.05</b>

Notes:

1. Figures in respect of the previous year(s) have been rearranged wherever necessary to correspond with the figures of the current year.

**Statement of Cash Flow for the last three years ended March 31, 2017:**

(Rs in lakh)

	Particulars	As per audited financials Year ended 31st March 2017	As per audited financials Year ended 31st March 2016	As per audited financials Year ended 31st March 2015
<b>A</b>	Net Profit before tax	30,333.20	24,688.59	27,721.36
	<b>Adjustment for :</b>			
	Depreciation/ Amortisation	212.50	154.56	139.46
	(Loss) /Profit on fixed assets sold / discarded (net)	24.93	(2.54)	1.29
	Loan funds written off	54.72	-	19.27
	Provision for doubtful loans	-	-	232.41
	Interest expenses - Others	23.42	47.41	19.07
	Provision for doubtful loans written back (net)	(447.27)	(30.04)	(19.27)
	Interest Income on fixed deposits with Banks and others	(377.90)	(721.73)	(2,600.46)
	Provision for bonus - written back	(126.00)	(23.00)	(12.38)
	Dividend on current investments	-	(2,097.25)	(152.39)
	Dividend on non current investments	(7.20)	(6.00)	-
	Loss on sale of long term investments	40.52	-	(1,326.80)
	Profit on sale of current investments	(1,665.28)	(278.35)	(319.16)
	<b>Operating Profit before Working Capital Changes</b>	<b>28,065.65</b>	<b>21,731.64</b>	<b>23,702.40</b>
	<b>Changes in working capital</b>			
	<b>Adjustment for (increase)/ decrease in operating assets:</b>			
	Loans and advances and other current assets	(201,361.25)	36,374.20	(63,157.75)
	Stock-in-trade	24,703.74	10,211.34	17,520.04
	Operating fixed deposits with banks	-	4,000.00	-
	Accrued interest income related to operating activities	8.39	320.33	331.98
	<b>Adjustment for increase/ (decrease) in operating liabilities:</b>	-		
	Trade payables, other liabilities and provisions	1,853.10	159.39	(478.13)
	Accrued interest expenses related to operating activities	2,039.37	(966.65)	(548.52)
	<b>Cash generated from/ (used in) operations</b>	<b>(172,756.67)</b>	<b>71,830.25</b>	<b>(22,629.98)</b>
	Direct taxes paid (net)	(10,572.95)	(7,892.67)	(9,325.39)
	<b>Net Cash flow (used in)/ from Operating Activities (A)</b>	<b>(155,263.97)</b>	<b>63,937.58</b>	<b>(31,955.36)</b>

	Particulars	As per audited financials	As per audited financials	As per audited financials
		Year ended 31st March 2017	Year ended 31st March 2016	Year ended 31st March 2015
<b>B</b>	<b>Cash flow from Investing Activities</b>			
	Purchase of fixed assets	(394.97)	(267.77)	(91.85)
	Sale of fixed assets	0.30	43.37	8.01
	Investment in a subsidiary	(1,200.00)	-	-
	Purchase of long term investments	(54,621.97)	-	(9,808.39)
	Sale of long term investments	22,694.13	-	4,771.00
	Sale of investment in a subsidiary	-	9,500.00	-
	(Purchase)/ sale of current investments (net)	1,665.28	(380.73)	276.24
	Decrease in other bank balances	-	27,700.00	(1,100.00)
	Interest received	398.83	746.54	2,684.55
	Dividend received	7.20	2,103.25	152.39
	<b>Net Cash flow (used in)/ from Investing Activities (B)</b>	<b>(31,451.20)</b>	<b>39,444.67</b>	<b>(3,108.04)</b>
<b>C</b>	<b>Cash flow from Financing Activities</b>			
	(Repayment)/ Proceeds from long term borrowings (net)	97,234.67	20,154.44	(29,638.20)
	Proceeds/ (Repayments) from short term borrowings (net)	56,711.62	(53,515.44)	65,291.59
	Interest paid	(23.42)	(47.41)	(19.07)
	Dividend paid (Including Corporate Dividend Tax)	(11,994.31)	(6,553.47)	(1,911.11)
	<b>Net Cash flow from/(used in) from Financing Activities (C)</b>	<b>141,928.55</b>	<b>(39,961.89)</b>	<b>33,723.21</b>
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(44,786.61)	63,420.36	(1,340.19)
	Cash and cash equivalents at the beginning of the year	63,963.35	542.99	1,883.18
	Cash and cash equivalents at the end of the year	<b>19,176.74</b>	<b>63,963.35</b>	<b>542.99</b>
	<b>Reconciliation of cash and cash equivalents:</b>			
	As per Balance Sheet	25,176.74	69,963.35	38,242.99
	Less: Other bank balances	6,000.00	6,000.00	37,700.00
	<b>As per Cash-flow statement</b>	<b>19,176.74</b>	<b>63,963.35</b>	<b>542.99</b>

Notes: Figures in respect of the previous year(s) have been rearranged wherever necessary to correspond with the figures of the current year.

**THE FOLLOWING NOTE SHALL REPLACE THE EARLIER NOTE 14.2 (A) IN THE SHELF DISCLOSURE DOCUMENT DATED MARCH 8, 2017 FOR THE DEBENTURE HOLDERS OF THE TRANCHE AT – 2017 (IX) NCDS:**

**Note 14.2 Early redemption clauses**

**A. Change in shareholding:**

The Debenture Trustee shall, if so directed by the 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 within 15 Business Days from the date of the receipt of the request letter from the Company) of the Debenture Holder(s),

- (a) shareholding of JM Financial Limited, either by itself or through its subsidiaries, associates or group companies, in the Company goes below 40.00% on fully diluted basis and
- (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; or (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.

Upon such request for early redemption, the debentures shall be redeemed by the Company within a period of 21 (Twenty One) Business Days.

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

The following are the additional documents which are or may be deemed to be material contracts, agreements, have been entered into / executed by the Company:

1. Debenture Trust Deed dated April 11, 2017 executed between the Company and IDBI Trusteeship Services Limited in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating to Rs. 149,00,00,000/- (Rupees One Hundred Forty Nine Crore)

**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 January 13, 2017 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters 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 Shelf DD.

For JM Financial Products Limited



**Hemant Kotak**  
Authorised Signatory

Place: Mumbai

Date: May 25, 2017