

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 CREDIT SOLUTIONS LIMITED**

The Company was incorporated as FICS Consultancy Services Limited, a public company limited by shares under the Companies Act, 1956 on May 15, 1980 in the State of Maharashtra with the registration number 022644. The name of the Company was changed from 'FICS Consultancy Services Limited' to 'JM Financial Credit Solutions Limited' with effect from March 4, 2015. The Corporate Identity Number (CIN) of the Company is U74140MH1980PLC022644.

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

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

**Compliance Officer / Contact Person:** Mr. Hemant Pandya

**Email:** hemant.pandya@jmfl.com, **Website:** www.jmfl.com

**DISCLOSURE DOCUMENT (DD) FOR PRIVATE PLACEMENT OF UPTO 835 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (“DEBENTURES” OR “NCDs” OR “TRANCHE AL NCDs”) OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) EACH FOR CASH AGGREGATING UPTO RS 83,50,00,000/- (RUPEES EIGHTY THREE CRORE FIFTY LAKH ONLY) (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 Disclosure Document 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 Disclosure Document. Prospective investors are advised to carefully read the risks associated with the Issue of Debentures. **Specific attention of investors is invited to statement of Risk Factors contained under Section II of this Disclosure Document.** These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or investor's decision to purchase the Debentures.

### **CREDIT RATING**

India Ratings and Research Private Limited has assigned a rating of “[IND] AA/ Stable” with a stable outlook to the captioned Issue and ICRA Limited (ICRA) has assigned a rating of [ICRA]AA with stable outlook. Investors may please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating agency has the right to suspend, withdraw or revise the rating / outlook assigned to the Issue at any time, on the basis of new information or unavailability of information or other circumstances which the rating agency believes may have an impact on the rating.

### **ISSUER'S ABSOLUTE RESPONSIBILITY**

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

### **LISTING**

The Debentures are proposed to be listed on the wholesale debt market segment of the BSE Limited (“BSE”). The BSE has given its 'in-principle' approval to list the Debentures vide its letter dated March 9, 2018.

This Disclosure Document is dated March 9, 2018.

#### **REGISTRAR TO THE ISSUE**

**Karvy Computershare Private Limited**

Karvy House, 46, Avenue 4

Street no.1, Banjara Hills, Hyderabad – 500 034

Tel. No. 040 23312454 / 23320751

Fax no. 040 23311968

E-mail varghese@karvy.com

Contact Person: Mr. P.A.Varghese

Designation: Zonal Head – Corporate Registry

#### **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

E-mail: itsl@idbitrustee.com

Website: www.idbitrustee.com

Contact Person: Ms. Swapnali Hirlekar,

Designation: Vice-President

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

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## **SECTION – I**

### **NOTICE TO INVESTORS AND DISCLAIMERS**

This Disclosure Document (the “**Disclosure Document**” or “**DD**”) is **neither a prospectus nor a statement in lieu of prospectus** under the Companies Act, 2013 (the Act). This Disclosure Document (DD) has not been submitted for its approval by the Securities and Exchange Board of India (“SEBI”) and has been prepared by JM Financial Credit Solutions Limited (the Company) in conformity with the extant SEBI Regulations. This issue of Non-Convertible Debentures (NCDs) which is to be listed on the WDM segment of the BSE Limited (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. 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 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.

#### **DISCLAIMER CLAUSE OF SEBI**

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

#### **DISCLAIMER CLAUSE OF THE STOCK EXCHANGE**

As required, a 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 is having a valid certificate of registration dated August 27, 2003 issued by the Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not any responsibility nor guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/discharge of liabilities by the company. It is distinctly understood that this DD should not in any way be deemed or construed to be approved or vetted by RBI.

## **DISCLAIMER CLAUSE OF THE COMPANY**

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

## **DISCLAIMER 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 Credit Solutions Limited / JMFCSL / the Company / the Issuer | JM Financial Credit Solutions Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, 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, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India |

### Issue related terms

| Term                | Description                                                                                                                                                                                                                                                                 |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Act                 | Shall mean the notified provisions of the Companies Act, 2013 and the rules made thereunder and the Companies Act, 1956, which are in force as of the date of this DD                                                                                                       |
| 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                                                                                                                                                                                                                                                                 |
| Business Day        | Any day of the week excluding Saturdays, Sundays, any 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.        |
| CDSL                | Central Depository Services (India) Limited                                                                                                                                                                                                                                 |
| CCPS                | Compulsory Convertible Preference Shares of the Company of face value of Rs. 10/- each                                                                                                                                                                                      |
| Debenture(s)        | 835 Secured, Rated, Listed, Redeemable Non-Convertible Debenture(s) (Tranche AL) of the face value of 10,00,000/- (Rupees Ten lakh only) each for cash aggregating upto Rs. 83,50,00,000/- (Rupees Eighty Three Crore Fifty Lakh only) to be issued pursuant to this issue. |
| Debenture Holder    | The Debenture holder whose name appears in the register of debenture holders or in the beneficial ownership record furnished by NSDL/CDSL for this purpose                                                                                                                  |

| Term                               | Description                                                                                                                                                                                                                                                     |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Debenture Trustee                  | Trustee for the Debenture Holders                                                                                                                                                                                                                               |
| Deemed Date of Allotment           | The deemed date of allotment of Tranche AL NCDs being March 12, 2018                                                                                                                                                                                            |
| 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, 1996                                                                                                                                                                                            |
| Disclosure Document/ DD            | This Disclosure Document through which the Issue is being made and which contains the disclosures as per Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time                                              |
| DP-ID                              | Depository Participant Identification Number                                                                                                                                                                                                                    |
| DRR                                | Debenture Redemption Reserve to be created, if any, in accordance with the provisions of the Companies Act, 2013. However, the Company being a Non-Banking Financial Company, the applicability of creating DRR does not apply to it                            |
| EBM                                | Electronic Book Mechanism for issuance of debt securities on private placement basis                                                                                                                                                                            |
| 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 DD issued for each Tranche of the Debentures                                                                                                                                  |
| IT Act                             | Income Tax Act                                                                                                                                                                                                                                                  |
| 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                                                                                                                                            |
| NACH                               | National Automated Clearing House                                                                                                                                                                                                                               |
| NCDs                               | Debentures issued pursuant to this Issue                                                                                                                                                                                                                        |
| NEFT                               | National Electronic Fund Transfer Service                                                                                                                                                                                                                       |
| NSDL                               | National Securities Depository Limited                                                                                                                                                                                                                          |
| PAN                                | Permanent Account Number                                                                                                                                                                                                                                        |
| RBI Act                            | The Reserve Bank of India Act, 1934, as amended from time to time                                                                                                                                                                                               |
| RBI Guidelines                     | RBI Guidelines means the guidelines issued by RBI for the purpose of issue of NCDs                                                                                                                                                                              |
| RoC                                | Registrar of Companies, Mumbai, Maharashtra                                                                                                                                                                                                                     |
| Rating Agency/Credit Rating Agency | India Ratings and Research Private Limited/ICRA Limited or any other SEBI registered Credit Rating Agency appointed from time to time                                                                                                                           |
| 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, GST (if any) arising out of any of loans and advances of the Company |
| Redemption Date                    | With respect to any Debentures shall mean the date on which repayment of principal amount and all other amounts due in respect of the Debentures will be made                                                                                                   |

| <b>Term</b>                      | <b>Description</b>                                                                                                                                                                             |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Registrar/Registrar to the Issue | Registrar to the Issue, in this case being Karvy Computershare Private Limited                                                                                                                 |
| 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 and SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time |
| Security                         | Means the security created or caused to be created by the Company to secure its obligations in respect of the Debentures and includes movable and/or immovable properties of the Company       |
| Stock Exchange                   | BSE Limited                                                                                                                                                                                    |
| Tranche AL – 2018 (VII)          | Shall mean all 835 NCDs issued under this DD                                                                                                                                                   |
| 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 with a focus on the wholesale lending in the real estate segment, 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. 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. The loan portfolio of the Company was Rs. 5,708 Crore as on September 30, 2017 and Rs. 5,658 Crore as on March 31, 2017. 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.

Despite the best efforts from the Company, there can be no assurance that repayment default will not occur and in such circumstances, it may have an effect on its results of operations.

The Company's gross loan portfolio (excluding inter-corporate deposits) is secured by assets, moveable and immoveable. 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 assets 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.

### **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 reported a Net NPA of Rs. 68.22 Crore as on September 30, 2017. 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 is 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. The Company's funding requirements are met through issue of NCDs and borrowing through bank lines. A portion of the funding requirements is met through issue of commercial papers. The assets may have 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. This sector is subject to volatility and cyclicalities. Company's performance may be adversely impacted if the real estate sector withstand a downtrend.

**9. 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.

**10. 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.

**11. 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.

**12. Employee Misconduct**

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

**13. Downgrading in credit rating**

India Ratings and Research Private Limited has assigned "IND AA/Stable" rating for long term borrowings upto Rs. 3,000 Crore through NCDs and ICRA Limited has assigned [ICRA]AA rating with stable outlook for long term borrowings upto Rs. 3,000 Crore through NCDs. 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.

**14. 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.

**15. 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.

**16. 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 is not required to create any such reserve funds for the redemption of the Debentures.

**17. 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 of the first issue closure date.

**18. 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.

**19. 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. 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 is 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. 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.

**8. Focused business model**

The Company is a NBFC having its major focus on the wholesale lending in the real estate segment. The growth of the Company is dependent on the growth and stability of the real estate industry.

**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 Disclosure Document 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 all transaction documents in the DD and has understood the same, and, on an independent assessment thereof, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that NCDs are a suitable investment and that the Debenture Holder can bear the economic risk of that investment;
- 2) has received all the information believed by it to be necessary and appropriate or material in connection with, and for, investment in the NCDs;
- 3) has sufficient knowledge, experience and expertise as an investor, to make 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;
- 5) has understood that information contained in this DD is not to be construed as business or investment advice;
- 6) has made an independent evaluation and judgement of all risks and merits before investing in the NCDs;
- 7) has understood that the method and manner of computation of returns and calculations on the NCDs shall be solely determined by the Company and the decision of the Company shall be final and binding;
- 8) has understood that in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial or other related markets or if for any other reason the calculations cannot be made as the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Company and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture Holder(s) and no liability thereof will attach to the Company;
- 9) has understood that in the event that the Debenture Holder(s) suffers adverse consequences or loss, the Debenture Holder(s) shall be solely responsible for the same and the Company, its 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;
  - (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;
  - (d) the Debenture Holder is not debarred from accessing the capital market or has been restrained by any regulatory authority from directly or indirectly acquiring the said securities; and
  - (e) the Debenture Holder shall pay for subscription of the debentures from his own bank account.

## SECTION - III

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

**A. ISSUER INFORMATION****A.a. Name and Address of the following:**

| Sr. No. | Particulars                       | Details                                                                                                                                                                                                                                                                       |
|---------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Name of the Issuer                | JM Financial Credit Solutions Limited                                                                                                                                                                                                                                         |
| 2.      | Registered Office of the Issuer   | 7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025<br>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<br>Tel. No. 022 - 6630 3030 Fax: 022 – 6630 3223                                                                                                                                            |
| 4.      | Compliance Officer of the Issuer  | <b>Mr. Hemant Pandya</b> (Company Secretary)<br>5 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025<br>Tel. No. 022 - 6630 3551 Fax: 022 – 6630 3223<br>Email: hemant.pandya@jmfl.com                                                           |
| 5.      | Trustee of the Issue              | <b>IDBI Trusteeship Services Limited</b><br>Asian Building, Ground Floor, 17, R. Kamani Marg,<br>Ballard Estate, Mumbai – 400 001<br>Tel: +91 22 4080 7000; Fax: +91 22 6631 1776<br>E-mail: swapnali@idbitrustee.com;<br>Contact Person: Ms. Swapnali Hirlekar               |
| 6.      | Registrar of the Issue            | <b>Karvy Computershare Private Limited</b><br>Karvy House, 46, Avenue 4,<br>Street no.1, Banjara Hills, Hyderabad – 500 034<br>Tel. No. 040 23312454 / 23320751; Fax no. 040 23311968<br>E-mail Varghese@karvy.com<br>Contact Person: Mr. P.A.Varghese                        |
| 7.      | Credit Rating agency of the Issue | <b>India Ratings and Research Private Limited</b><br>Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051.<br><b>ICRA Limited (ICRA)</b><br>3rd Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.            |
| 8.      | Auditors of the Issuer            | <b>Deloitte Haskins &amp; Sells LLP</b><br>Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor,<br>Elphinstone Mill Compound, Senapati Bapat Marg,<br>Elphinstone (W), Mumbai - 400 013, India<br>Tel: +91 22 6185 4000; Fax: +91 22 6185 4601<br>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:**

The Company 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.

The Company is registered with the RBI as a “non-deposit taking systemically important non-banking financial company (NBFC-ND-SI)”.

India Ratings and Research Private Limited has assigned a long term rating of “IND AA/ Stable” with a stable outlook to the captioned Issue and ICRA Limited has assigned a rating of “ICRA AA” with stable outlook to the long term NCDs.

**Details of the branch of the Company as on December 31, 2017**

The Company has a branch office at Delhi, Chennai and Bangalore. The address is as mentioned below:

**Delhi:**

5G& H, 5th Floor, Hansalaya Building, 15 Barakhamba Road, New Delhi – 110001

**Chennai:**

No.15, Sterling Road, 1<sup>st</sup> Cross Street, Nungambakkam, Chennai – 600034

**Bangalore:**

97/4, Residency Road, Benagluru - 560025

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

The corporate structure of the Company as on December 31, 2017 is as below:

| <b>Sr. No.</b> | <b>Name of the Shareholder</b> | <b>Number of shares held</b> | <b>Face value per share (Rs.)</b> | <b>% of total shares</b> |
|----------------|--------------------------------|------------------------------|-----------------------------------|--------------------------|
| 1.             | JM Financial Limited           | 12,50,000                    | 10/-                              | 50.0100%                 |
| 2.             | INH Mauritius 1                | 12,15,296                    | 10/-                              | 48.6216%                 |
| 3.             | Ms. Aparna Aiyar               | 34,204                       | 10/-                              | 1.3684%                  |
|                | <b>Total</b>                   | <b>24,99,500</b>             | <b>-</b>                          | <b>100.00%</b>           |

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

The Key Operational and Financial Parameters for the last three Audited Financial year ended March 31, 2017 and unaudited financials as on September 30, 2017 (on standalone basis) are as under:

(Rs. in Lakh except as stated otherwise)

| Particulars                                 | As per<br>Unaudited<br>financials | As per<br>audited<br>financials | As per<br>audited<br>financials | As per<br>audited<br>financials |
|---------------------------------------------|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|
|                                             | As at<br>September<br>30, 2017    | As at<br>March 31,<br>2017      | As at<br>March 31,<br>2016      | As at<br>March 31,<br>2015      |
| <b>For Financial Entities</b>               |                                   |                                 |                                 |                                 |
| Net worth                                   | 1,56,334                          | 1,41,327                        | 1,13,602                        | 93,848                          |
| Total Debt                                  | 4,06,896                          | 4,13,824                        | 2,96,899                        | 90,092                          |
| - Long Term Borrowing                       | 2,42,056                          | 2,56,757                        | 1,95,697                        | 11,500                          |
| - Short Term Borrowing                      | 72,578                            | 85,252                          | 81,805                          | 78,591                          |
| - Current maturities of long term borrowing | 92,261                            | 71,814                          | 19,397                          | 2                               |
| Net Fixed Assets                            | 76                                | 85                              | 31                              | 13                              |
| Non-Current Assets                          | 4,04,376                          | 3,87,810                        | 3,31,745                        | 1,66,318.75                     |
| Cash and Cash equivalents                   | 213                               | 171                             | 10,186                          | 318                             |
| Current Investment                          | -                                 | -                               | -                               | -                               |
| Current Assets                              | 1,70,053                          | 1,79,982                        | 88,146                          | 18,883                          |
| Current Liabilities                         | 1,72,194                          | 1,66,629                        | 1,08,856                        | 79,737                          |
| Assets Under Management                     | -                                 | -                               | -                               | -                               |
| Off Balance Sheet Assets                    | -                                 | -                               | -                               | -                               |
| Revenue from operations                     | 45,085                            | 78,685                          | 51,876                          | 9,414                           |
| Interest Expenses                           | 18,486                            | 31,226                          | 17,468                          | 1,337                           |
| Provisioning & write-offs                   | 1,034                             | 760                             | 767                             | 439                             |
| PAT                                         | 15,007                            | 27,725                          | 19,754                          | 4,880                           |
| Gross NPA (%)                               | 1.33%                             | 0.00%                           | 0.00%                           | 0.00%                           |
| Net NPA (%)                                 | 1.20%                             | 0.00%                           | 0.00%                           | 0.00%                           |
| Tier I Capital Adequacy Ratio (%) #         | 26.91                             | 24.54                           | 26.81                           | 50.57                           |
| Tier II Capital Adequacy Ratio (%) #        | 0.39                              | 0.35                            | 0.29                            | 0.25                            |
| Interest coverage ratio                     | 2.25                              | 2.36                            | 2.73                            | 6.25                            |

**Gross Debt: Equity Ratio of the Company**

|                            |      |
|----------------------------|------|
| Before the issue of NCDs*# | 2.60 |
| After the issue of NCDs*^# | 2.66 |

\* As per un-audited financials as on September 30, 2017

^ Assuming issue of NCDs of Rs. 83,50,00,000/- (Rupees Eighty Three Crore Fifty Lakh 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 incorporated on May 15, 1980 as a public limited company under the provisions of the Companies Act, 1956.

The Company had obtained a certificate of registration dated August 27, 2003 bearing registration no. B - 13.01681 issued by the RBI to carry on the activities of an NBFC under section 45 IA of the RBI Act, 1934.

The name of the Company was changed from 'FICS Consultancy Services Limited' to 'JM Financial Credit Solutions Limited' with effect from March 4, 2015.

The authorized share capital of the Company was increased from Rs. 5,00,000/- (Rupees Five Lakh only) divided into 50,000 equity shares of Rs.10/- each to Rs. 5,00,00,000/- (Rupees Five Crore only) divided into 30,00,000 equity shares of Rs. 10/- each and 20,00,000 preference shares of Rs.10/- each vide the special resolution passed by the Members at their extra-ordinary general meeting held on October 30, 2014.

The Company on November 3, 2014 had allotted 12,00,000 equity shares to JM Financial Limited pursuant to the issue of equity shares on right issue basis. Further, on November 20, 2014, the Company had allotted 12,49,496 CCPS and 4 equity shares, pursuant to the issue of securities to them on private placement basis.

The Board had on February 9, 2017, converted 12,15,292 CCPS of the face value of Rs. 10/- each, held by INH Mauritius 1, into equal number of fully paid up equity shares of the face value of Rs. 10/- each, after obtaining the requisite approval of RBI. Further, the Board had on July 21, 2017, converted 34,204, CCPS of the face value of Rs. 10/- each, held by Ms. Aparna Murthy Aiyar, into equal number of fully paid up equity shares of the face value of Rs. 10/- each.

Post the said conversion of CCPS into equity shares, the paid up equity share capital of the Company was Rs. 2,49,95,000/- (Rupees Two Crore Forty Nine Lakh Ninety Five Thousand only) representing 24,99,500 equity shares of the face value of Rs. 10/- each.

**A.c.i. Details of Share Capital as on December 31, 2017:**

| Share Capital                                       | Particulars                                                                                                                                                                   |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Authorised Share Capital</b>                     | Rs. 5,00,00,000 comprising: <ul style="list-style-type: none"><li>- 30,00,000 Equity Shares of Rs. 10/- each</li><li>- 20,00,000 Preference Shares of Rs. 10/- each</li></ul> |
| <b>Issued, Subscribed and Paid up Share Capital</b> | Rs. 2,49,95,000 comprising 24,99,500 Equity Shares of Rs. 10/- each.                                                                                                          |

**Note:**

Of the above Issued, Subscribed and Paid up share capital, 12,50,000 equity shares of Rs. 10/- each are held by JM Financial Limited, the holding company of the Company.

**A.c.ii: Changes in its capital structure as on December 31, 2017:**

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

| Date of change (AGM / EGM)   | Rs.               | Particulars                                                                                                                                                                                                       |
|------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EGM held on October 30, 2014 | Rs. 5,00,00,000/- | Increase in authorized share capital of the Company from Rs. 5 Lakh to Rs. 5 Crore divided into 30,00,000 (Thirty Lakh) equity shares of Rs. 10 each and 20,00,000 (Twenty Lakh) preference shares of Rs. 10 each |

**A.c.iii. Equity Share Capital History of the Company till December 31, 2017:**

The history of equity share capital raised by the Company till September 30, 2017 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.) |
| On incorporation  | 7                    | 10               | 10                | Cash                                        | Allotment to Subscribers              | 7                    | 70                         | Nil                           |
| September 9, 1980 | 49,993               | 10               | 10                | Cash                                        | Initial Public Offer                  | 50,000               | 5,00,000                   | Nil                           |
| November 3, 2014  | 12,00,000            | 10               | 2,870             | Cash                                        | Rights Issue                          | 12,50,000            | 1,20,50,000                | 3,43,20,00,000                |
| November 20, 2014 | 4                    | 10               | 4,320             | Cash                                        | Private placement                     | 12,50,004            | 1,25,00,040                | 3,43,20,17,240                |
| February 9, 2017  | 12,15,292            | 10               | -                 | -                                           | Conversion of CCPS into Equity Shares | 24,65,296            | 2,46,52,960                | -                             |
| July 21, 2017     | 34,204               | 10               | -                 | -                                           | Conversion of CCPS into Equity Shares | 24,99,500            | 2,49,95,000                | -                             |

The details of preference share capital raised by the Company till December 31, 2017 are as under:

| Date of Allotment | No. of Preference shares | Face value (Rs.) | Issue Price (Rs.) | Consideration (Cash, other than cash, etc.) | Nature of Allotment | Cumulative               |                                |                                   |
|-------------------|--------------------------|------------------|-------------------|---------------------------------------------|---------------------|--------------------------|--------------------------------|-----------------------------------|
|                   |                          |                  |                   |                                             |                     | No. of preference shares | Preference Share Capital (Rs.) | Preference Share premium (in Rs.) |
| November 20, 2014 | 12,49,496                | 10               | 4,320             | Cash                                        | Private placement   | 12,49,496                | 1,24,94,960                    | 5,38,53,27,760                    |

The details of preference share capital converted by the Company as on September 30, 2017 are as under:

| Date of conversion | No. of Preference shares | Face value (Rs.) | Nature of conversion | No. of Preference Shares as on September 30, 2017 | Preference Share Capital as on September 30, 2017 (Rs.) |
|--------------------|--------------------------|------------------|----------------------|---------------------------------------------------|---------------------------------------------------------|
| February 9, 2017   | (12,15,292)              | 10               | CCPS                 | 34,204                                            | 3,42,040                                                |
| July 21, 2017      | (34,204)                 | 10               | CCPS                 | Nil                                               | 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, 2017:**

| Sr. No.              | Name of the Shareholder | Number of shares held | Face value per share (Rs.) | % of total shares |
|----------------------|-------------------------|-----------------------|----------------------------|-------------------|
| <b>Equity Shares</b> |                         |                       |                            |                   |
| 1.                   | JM Financial Limited    | 12,50,000             | 10/-                       | 50.0100%          |
| 2.                   | INH Mauritius I         | 12,15,296             | 10/-                       | 48.6216%          |
| 3.                   | Ms. Aparna Aiyar        | 34,204                | 10/-                       | 1.3684%           |
|                      | <b>Total</b>            | <b>24,99,500</b>      | <b>-</b>                   | <b>100.00%</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, 2017 is as under:

| Sr. No.              | Name of the Shareholder | Number of shares held | Face value per share (Rs.) | % of total shares |
|----------------------|-------------------------|-----------------------|----------------------------|-------------------|
| <b>Equity Shares</b> |                         |                       |                            |                   |
| 1.                   | JM Financial Limited    | 12,50,000             | 10/-                       | 50.0100%          |
| 2.                   | INH Mauritius I         | 12,15,296             | 10/-                       | 48.6216%          |
| 3.                   | Ms. Aparna Aiyar        | 34,204                | 10/-                       | 1.3684%           |
|                      | <b>Total</b>            | <b>24,99,500</b>      | <b>-</b>                   | <b>100.00%</b>    |

**A.e. Following details of the directors of the Company:****A.e.i. Details of the current directors of the Company:**

| <b>Sr. No.</b> | <b>Name, Designation</b>                           | <b>DIN</b> | <b>Age</b> | <b>Address</b>                                                                            | <b>Director of the Company since</b> | <b>Occupation</b>       |
|----------------|----------------------------------------------------|------------|------------|-------------------------------------------------------------------------------------------|--------------------------------------|-------------------------|
| 1.             | Mr. Vikram Pandit<br>Non-Executive Chairman        | 07062676   | 61         | 310 East 53rd Street<br>Apartment #29C New<br>York, 10022 United<br>States of America     | 06/01/2015                           | Finance<br>Professional |
| 2.             | Mr. Vishal Kampani<br>Non-Executive Vice-Chairman  | 00009079   | 41         | 7 <sup>th</sup> Floor, Cnergy<br>Appsaheb Marathe<br>Marg, Prabhadevi<br>Mumbai – 400 025 | 15/07/2014                           | Service                 |
| 3.             | Mr. Hariharan Aiyar<br>Non-Executive Vice-Chairman | 01374306   | 49         | 1501, 15th Floor<br>Lodha Costiera<br>Nepean sea Road<br>Mumbai – 400036                  | 20/11/2014                           | Finance<br>Professional |
| 4.             | Mr. V P Shetty<br>Non-Executive Director           | 00021773   | 70         | 7 <sup>th</sup> Floor, Cnergy<br>Appsaheb Marathe<br>Marg, Prabhadevi<br>Mumbai – 400 025 | 15/07/2014                           | Service                 |
| 5.             | Ms. Dipti Neelakantan<br>Non-Executive Director    | 00505452   | 59         | 7 <sup>th</sup> Floor, Cnergy<br>Appsaheb Marathe<br>Marg, Prabhadevi<br>Mumbai – 400 025 | 28/10/2015                           | Service                 |
| 6.             | Mr. Darius E Udawadia<br>Independent Director      | 00009755   | 78         | Empress Court, 142<br>M-Karve Road<br>Mumbai - 400020                                     | 16/07/2015                           | Solicitor &<br>Advocate |
| 7.             | Dr. Anup Shah<br>Independent Director              | 00293207   | 41         | 502, Doli Chambers<br>Strand Road, Colaba<br>Mumbai 400005                                | 29/03/2016                           | Professional            |

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 date:**

| Sr. No. | Name of the Director           | Details of other directorship                                                                                                                                                                                                                                                                                                                                                          |
|---------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Mr. Vikram Pandit              | Bombardier Inc.                                                                                                                                                                                                                                                                                                                                                                        |
| 2.      | Mr. Vishal Kampani             | JM Financial Limited<br>JM Financial Products Limited<br>JM Financial Capital Limited<br>JM Financial Institutional Securities Limited<br>JM Financial Services Limited<br>J. M. Financial & Investment Consultancy Services Private Limited<br>Infinite India Investment Management Limited<br>JM Financial Singapore Pte. Limited<br>Capital Market Publishers India Private Limited |
| 3.      | Mr. Hariharan Ramamurthy Aiyar | SV India Opportunities Advisors Private Limited                                                                                                                                                                                                                                                                                                                                        |
| 4.      | Mr. Vaddarse Prabhakar Shetty  | JM Financial Asset Reconstruction Company Limited<br>JM Financial Asset Management Limited<br>JM Financial Products Limited<br>JM Financial Home Loans Limited                                                                                                                                                                                                                         |
| 5.      | Mr. Darius E Udwadia           | JM Financial Limited<br>JM Financial Trustee Company Private Limited<br>ABB India Limited<br>Concast (India) Limited<br>ITD Cementation India Limited<br>MPS Limited<br>Quantum Advisors Private Limited<br>Habasit Iakoka Private Limited<br>The Bombay Burmah Trading Corp. Limited<br>Conservation Corporation of India Private Limited<br>Rossi Gearmotors (India) Private Limited |
| 6.      | Ms. Dipti Neelakantan          | JM Financial Services Limited<br>JM Financial Institutional Securities Limited<br>Kampani Consultants Limited<br>Infinite India Investment Management limited                                                                                                                                                                                                                          |
| 7.      | Dr. Anup Shah                  | JM Financial Services Limited<br>Knowhowhub.com Private Limited<br>Landmark Business Service Centre Private Limited<br>Macro Investment and Financial Consultants Private Limited<br>Claris Lifesciences Limited<br>Jaircorp Limited<br>Jaicorp Welfare Foundation<br>Marathon Nextgen Realty Limited<br>Prince Pipes and Fittings Limited<br>Health and Education Foundation          |

**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.      | Dr. Anup Shah<br>Independent Director         | 00293207 | 29/03/2016                        | Not Applicable                                         | Appointed as an Independent Director |
| 2.      | Ms. Dipti Neelakantan<br>Nominee Director     | 00505452 | 28/10/2015                        | Not Applicable                                         | Appointed as a Nominee Director      |
| 3.      | Mr. Manish Sheth<br>Nominee Director          | 00109227 | 28/10/2015<br>(Date of Cessation) | 31/07/2006<br>(Date of appointment)                    | Resigned as a Nominee Director       |
| 4.      | Mr. Darius E Udawadia<br>Independent Director | 00009755 | 16/07/2015                        | Not Applicable                                         | Appointed as an Independent Director |

**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,<br>Tower 3, 27th - 32nd Floor,<br>Elphinstone Mill Compound,<br>Senapati Bapat Marg, Elphinstone (W),<br>Mumbai - 400 013, India<br>Tel: +91 22 6185 4000; Fax: +91 22 6185 4601 | 22/01/2015    |

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

| Name                         | Address                                                                                                                                                                                                                                  | Date of Appointment / Resignation   | Auditor of the Company since (in case of resignation) | Remarks                                            |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------|----------------------------------------------------|
| Deloitte Haskins & Sells LLP | Indiabulls Finance Centre,<br>Tower 3, 27th - 32nd Floor,<br>Elphinstone Mill Compound,<br>Senapati Bapat Marg, Elphinstone (W),<br>Mumbai - 400 013, India<br>Tel: +91 22 6185 4000; Fax: +91 22 6185 4601<br>website: www.deloitte.com | 22/01/2015<br>(Date of Appointment) | N.A.                                                  | Appointed as the statutory auditors of the Company |
| M/s. Arun Arora and Co.      | 304 Marine Chambers,<br>New Marine Lines,<br>Mumbai- 400 020, India<br>Tel: +91 2205 5858; Fax: +91 2200 4139<br>Email: atarora@vsnl.com                                                                                                 | 22/01/2015<br>(Date of Resignation) | 15/05/1980                                            | Resigned as the statutory auditor of the Company   |

**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, 2017**

| Name of Bank / FI   | Type of Facility | Sanctioned Amount<br>(Rs. Crore) | Outstanding Amount<br>(Rs. Crore) | Repayment Date / Schedule                                                                                            |
|---------------------|------------------|----------------------------------|-----------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Axis Bank – I       | Term Loan        | 100                              | 25                                | equal half yearly installments from 18 months from first date of disbursement                                        |
| Axis Bank – II      | Term Loan        | 100                              | 100                               | equal half yearly installments from 12 months from first date of disbursement                                        |
| Bank of Baroda – I  | Term Loan        | 100                              | 83                                | 18 monthly installments commencing from 19th Month from the date of first disbursement after moratorium of 18 months |
| Bank of Baroda – II | Term Loan        | 150                              | 150                               | 8 quarterly installments of Rs. 18.75cr after moratorium of 24 months                                                |
| Canara Bank         | Term Loan        | 200                              | 200                               | 10 Quarterly installments after moratorium of 18 months                                                              |
| The Federal Bank    | Term Loan        | 50                               | 50                                | 6 quarterly installments after moratorium of 18 months from the date of first disbursement                           |
| HDFC Bank – I       | Term Loan        | 40                               | 17                                | 12 equal quarterly installments                                                                                      |

|                            |              |              |              |                                                                                                             |
|----------------------------|--------------|--------------|--------------|-------------------------------------------------------------------------------------------------------------|
| HDFC Bank - II             | Term Loan    | 50           | 48           | Repayment in equal quarterly installments                                                                   |
| IDBI Bank – I              | Term Loan    | 100          | 100          | 12 monthly installments of 8.33 Crore starting from 25th month of first disbursement                        |
| IDBI Bank - II             | Term Loan    | 100          | 75           | 10 equal quarterly installments of 7.50 Crore after moratorium of 18 months                                 |
| IDFC Bank                  | Term Loan    | 150          | 100          | 6 equal half yearly installments                                                                            |
| Indusind Bank              | Term Loan    | 100          | 100          | 24 monthly installments after moratorium of 12 months                                                       |
| Punjab National Bank – I   | Term Loan    | 75           | 75           | 10 equal monthly installment after 30 months moratorium                                                     |
| Punjab National Bank – II  | Term Loan    | 150          | 150          | 18 equal monthly installment after 30 months moratorium                                                     |
| Punjab National Bank – III | Term Loan    | 100          | 100          | 18 equal monthly installment after 30 months moratorium                                                     |
| RBL Bank Ltd               | Term Loan    | 150          | 150          | 10 Quarterly installments after moratorium of 18 months starting from 21st month of disbursement            |
| State Bank of India - SBH  | Term Loan    | 50           | 28           | 18 equal monthly installment of 2.78 Crore after 18 months moratorium                                       |
| State Bank of India - I    | Term Loan    | 200          | 44           | 18 monthly installments of 11.12 Crore each after a moratorium of 18 months from first date of disbursement |
| State Bank of India - II   | Term Loan    | 150          | 150          | Monthly installments of 8.33 Crore starting from October 2018 (after moratorium of 30 months)               |
| State Bank of India - III  | Term Loan    | 225          | 225          | 18 equal monthly installment after 30 months moratorium                                                     |
| State Bank of India - SBM  | Term Loan    | 75           | 68           | 10 equal quarterly installments of 7.50 Crore after moratorium of 18 months                                 |
| Syndicate Bank - I         | Term Loan    | 100          | 80           | 5 equal quarterly installment after moratorium of 18 months                                                 |
| Syndicate Bank - II        | Term Loan    | 200          | 200          |                                                                                                             |
| Bajaj Finance              | Term Loan    | 50           | 50           | 4 equal quarterly installments after moratorium of 24 months                                                |
| HDFC Bank                  | WCDL         | 10           | 10           | Bullet on 05-01-2018                                                                                        |
|                            | <b>Total</b> | <b>2,775</b> | <b>2,377</b> |                                                                                                             |

Above loans are secured by pari passu charge over book receivables eligible for banks finance of the Company

**A.g.ii. Details of Unsecured Loan Facilities as on December 31, 2017:**

Please refer to Commercial Paper details on page 32.

**A.g.iii. Details of NCDs as on December 31, 2017:**

| Debenture Series                                              | Tenor/ period (days)        | Coupon (p.a.) in %              | Amount (Rs. in Crore)          | Date of Allotment | Redemption Date/ Schedule                    | Credit Rating    |
|---------------------------------------------------------------|-----------------------------|---------------------------------|--------------------------------|-------------------|----------------------------------------------|------------------|
| Tranche B                                                     | 1140                        | 10.29                           | 100.00                         | 28-04-15          | 11-06-18                                     | ICRA AA          |
| Tranche F                                                     | 1096                        | 10.26                           | 300.00                         | 31-07-15          | 31-07-18                                     | IND AA           |
| Tranche I                                                     | 1092                        | Zero Coupon                     | 3.00                           | 05-02-16          | 01-02-19                                     | IND AA           |
| Tranche J                                                     | 2008                        | 9.70                            | 20.00                          | 09-02-16          | 09-08-21                                     | ICRA AA / IND AA |
| Tranche K                                                     | 2008                        | 9.70                            | 10.00                          | 26-02-16          | 26-08-21                                     | ICRA AA / IND AA |
| Tranche L                                                     | 1128                        | Zero Coupon                     | 4.40                           | 01-03-16          | 03-04-19                                     | IND AA           |
| Tranche M                                                     | 1125                        | Zero Coupon                     | 10.00                          | 16-03-16          | 15-04-19                                     | IND AA           |
| Tranche N                                                     | 1126                        | Zero Coupon                     | 3.50                           | 22-03-16          | 22-04-19                                     | IND AA           |
| Tranche P                                                     | 1162                        | 10.50                           | 50.00                          | 30-03-16          | 05-06-19                                     | IND AA           |
| Tranche Q                                                     | 1106                        | Zero Coupon                     | 5.40                           | 11-04-16          | 22-04-19                                     | IND AA           |
| Tranche R                                                     | 1091                        | Zero Coupon                     | 7.80                           | 29-04-16          | 25-04-19                                     | IND AA           |
| Tranche S                                                     | 1826                        | 9.50                            | 5.00                           | 06-05-16          | 06-05-21                                     | ICRA AA / IND AA |
| Tranche T                                                     | 1826                        | 9.50                            | 10.00                          | 24-05-16          | 24-05-21                                     | ICRA AA / IND AA |
| Tranche U                                                     | 1826                        | 9.50                            | 10.00                          | 31-05-16          | 31-05-21                                     | ICRA AA / IND AA |
| Tranche V<br>Option I<br>Option II<br>Option III              | 1062<br>1076<br>1097        | Zero Coupon                     | 6.20<br>6.60<br>5.00           | 16-06-16          | 14-05-19<br>28-05-19<br>18-06-19             | ICRA AA / IND AA |
| Tranche W<br>Option I<br>Option II<br>Option III<br>Option IV | 698<br>1061<br>1095<br>1082 | 9.7307<br>9.7665<br>9.78<br>Nil | 40.00<br>10.00<br>7.50<br>2.50 | 15-07-16          | 13-06-18<br>11-06-19<br>15-07-19<br>02-07-19 | ICRA AA / IND AA |
| Tranche X<br>Option I<br>Option II                            | 1095<br>1126                | 9.70<br>9.69                    | 100.00<br>100.00               | 30-08-16          | 30-08-19<br>30-09-19                         | ICRA AA / IND AA |
| Tranche Y<br>Option I<br>Option II                            | 1064<br>1085                | Nil<br>Nil                      | 11.00<br>5.70                  | 06-09-16          | 06-08-19<br>27-08-19                         | ICRA AA / IND AA |

|            |      |              |                |            |            |                     |
|------------|------|--------------|----------------|------------|------------|---------------------|
| Tranche Z  |      |              |                |            |            |                     |
| Option I   | 1063 | Nil          | 6.50           | 14-10-16   | 12-09-19   | ICRA AA /<br>IND AA |
| Option II  | 1075 | Nil          | 10.50          |            | 24-09-19   |                     |
| Option III | 1089 | Nil          | 5.00           |            | 08-10-19   |                     |
| Option IV  | 1110 | Nil          | 3.00           |            | 29-10-09   |                     |
| Tranche AA | 1170 | Nil          | 4.60           | 23-01-17   | 07-04-20   | ICRA AA /<br>IND AA |
| Tranche AB | 1220 | Nil          | 5.70           | 27-02-17   | 01-07-20   | ICRA AA /<br>IND AA |
| Tranche AC | 1155 | Nil          | 3.70           | 06-03-17   | 04-05-20   | ICRA AA /<br>IND AA |
| Tranche AD |      |              |                |            |            |                     |
| Option I   | 1096 | 9.25         | 50.00          | 23-03-17   | 23-03-20   | ICRA AA /<br>IND AA |
| Option II  | 1826 | 9.00         | 10.00          |            | 23-03-22   |                     |
| Option III | 1096 | Nil          | 50.00          |            | 23-03-20   |                     |
| Option IV  | 1140 | Nil          | 2.00           |            | 06-05-20   |                     |
| Tranche AE | 1822 | 9.20         | 70.00          | 29-09-17   | 25-03-22   | ICRA AA /<br>IND AA |
| Tranche AF | 1099 | Nil          | 50.00          | 02-06-17   | 05-06-20   | ICRA AA /<br>IND AA |
| Tranche AG | 1461 | 9.05         | 175.00         | 15-06-07   | 15-06-21   | ICRA AA /<br>IND AA |
| Tranche AH | 1096 | 9.05         | 30.00          | 22-06-17   | 22-06-20   | ICRA AA /<br>IND AA |
| Tranche AI |      |              |                |            |            |                     |
| Option I   | 730  | 8.75         | 125.00         | 12-09-17   | 12-09-19   | ICRA AA /<br>IND AA |
| Option II  | 1099 | Nil          | 25.00          |            | 15-09-20   |                     |
| Tranche AJ | 1096 | 9.15         | 50.00          | 28-12-2017 | 28-12-2020 | ICRA AA /<br>IND AA |
|            |      | <b>Total</b> | <b>1509.60</b> |            |            |                     |

**A.g.iv. List of top 10 Debenture Holders as on December 31, 2017:**

| Sr. No. | Name of Debenture Holders                                                                 | Amount<br>(Rs. in<br>Crore) |
|---------|-------------------------------------------------------------------------------------------|-----------------------------|
| 1.      | Canara Bank-Mumbai                                                                        | 175.00                      |
| 2.      | UTI Treasury Advantage Fund                                                               | 125.00                      |
| 3.      | UTI Floating Rate Fund – STP                                                              | 100.00                      |
| 4.      | Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Dynamic Bond Fund | 90.00                       |
| 5.      | Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Dynamic Bond Fund | 85.00                       |
| 6.      | UTI Floating Rate Fund – STP                                                              | 75.00                       |
| 7.      | Bank of Baroda                                                                            | 70.00                       |
| 8.      | HDFC Trustee Company Ltd. A/C – HDFC Corporate Debt Opportunities Fund                    | 50.00                       |
| 9.      | Bank of India                                                                             | 50.00                       |
| 10.     | HDFC Trustee Company Ltd. A/C HDFC FMP 1302D SEPTEMBER 2016(1)                            | 50.00                       |

**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, 2017:**

| Sr. No. | ISIN Numbers | Amount (Rs. in Crore) | Maturity Date |
|---------|--------------|-----------------------|---------------|
| 1       | INE651J14594 | 100                   | 27-Feb-18     |
| 2       | INE651J14636 | 100                   | 28-Mar-18     |
| 3       | INE651J14735 | 200                   | 20-Feb-18     |
| 4       | INE651J14743 | 100                   | 22-Feb-18     |
| 5       | INE651J14768 | 50                    | 12-Feb-18     |
| 6       | INE651J14750 | 40                    | 28-Feb-18     |
| 7       | INE651J14776 | 100                   | 09-Mar-18     |
| 8       | INE651J14784 | 100                   | 13-Mar-18     |
| 9       | INE651J14792 | 50                    | 27-Dec-18     |
|         | <b>Total</b> | <b>840</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, 2017**

Nil

**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:**

None

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

JM Financial Limited holds 50.01% of the total share capital of the Company. Pursuant to Section 2(69) of the Companies Act, 2013, JM Financial Limited shall be deemed to be the promoter of the Company.

JM Financial Limited (JM Financial), is the flagship listed company of JM Financial Group. JM Financial is engaged in various financial services businesses on its own and through its subsidiary and associate companies forming a well-diversified yet integrated financial services group. JM Financial holds investments in its subsidiaries that are engaged in various businesses, viz., Non-Banking Financial Services, Asset Reconstruction, Equity Research, Equity Broking to Institutional and Non-Institutional Investors, Wealth Management advisory, Mutual Funds Asset Management, etc.

**A.h.i. Details of Promoter holding in the Company:**

| <b>Sr. No.</b> | <b>Name of the shareholders</b>        | <b>Total no. of Equity shares</b> | <b>No. of shares</b> | <b>Total shareholding as % of total share capital</b> | <b>No. of Shares Pledged</b> | <b>% of Shares pledged with respect to shares owned</b> |
|----------------|----------------------------------------|-----------------------------------|----------------------|-------------------------------------------------------|------------------------------|---------------------------------------------------------|
| 1.             | JM Financial Limited with its nominees | 12,50,000                         | 12,50,000            | 50.01%                                                | 0                            | 0%                                                      |

**A.i. & j. Abridged version of audited standalone financial information for the last three years ended March 31, 2017 and unaudited standalone financial information for the half year ended September 30, 2017:**

**JM Financial Credit Solutions Limited**  
**Abridged version of Balance Sheet**

**(Rs. In Lakh)**

| Sr. No.  | Particulars                    | As per Unaudited<br>financials<br>As at September<br>30, 2017 | As per audited<br>financials<br>As at 31st March-<br>2017 | As per audited<br>financials<br>As at 31st March-<br>2016 | As per audited<br>financials<br>As at 31st March-<br>2015 |
|----------|--------------------------------|---------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| <b>A</b> | <b>EQUITY AND LIABILITIES</b>  |                                                               |                                                           |                                                           |                                                           |
| <b>1</b> | <b>Shareholder's Funds</b>     |                                                               |                                                           |                                                           |                                                           |
|          | Share Capital                  | 249.95                                                        | 249.95                                                    | 249.95                                                    | 249.95                                                    |
|          | Reserves and Surplus           | 1,56,083.89                                                   | 1,41,076.65                                               | 1,13,351.97                                               | 93,597.80                                                 |
|          |                                | <b>1,56,333.84</b>                                            | <b>1,41,326.60</b>                                        | <b>1,13,601.92</b>                                        | <b>93,847.75</b>                                          |
| <b>2</b> | <b>Non-Current Liabilities</b> |                                                               |                                                           |                                                           |                                                           |
|          | Long-term borrowings           | 2,42,056.27                                                   | 2,56,757.10                                               | 1,95,697.21                                               | 11,500.00                                                 |
|          | Other long term liabilities    | 3,015.19                                                      | 2,377.65                                                  | 1,262.59                                                  | -                                                         |
|          | Long term provisions           | 2,307.85                                                      | 2,023.35                                                  | 1,258.87                                                  | 484.48                                                    |
|          |                                | <b>2,47,379.31</b>                                            | <b>2,61,158.09</b>                                        | <b>1,98,218.67</b>                                        | <b>11,984.48</b>                                          |
| <b>3</b> | <b>Current Liabilities</b>     |                                                               |                                                           |                                                           |                                                           |
|          | Short-term borrowings          | 72,578.22                                                     | 85,252.19                                                 | 81,805.12                                                 | 78,590.66                                                 |
|          | Trade payables                 | 859.02                                                        | 196.47                                                    | 741.16                                                    | 48.68                                                     |
|          | Other current liabilities      | 97,650.96                                                     | 81,147.38                                                 | 26,037.98                                                 | 987.39                                                    |
|          | Short-term provisions          | 1,106.18                                                      | 33.31                                                     | 271.84                                                    | 110.43                                                    |
|          |                                | <b>1,72,194.38</b>                                            | <b>1,66,629.36</b>                                        | <b>1,08,856.10</b>                                        | <b>79,737.17</b>                                          |
|          | <b>TOTAL</b>                   | <b>5,75,907.53</b>                                            | <b>5,69,114.05</b>                                        | <b>4,20,676.70</b>                                        | <b>1,85,569.40</b>                                        |
| <b>B</b> | <b>ASSETS</b>                  |                                                               |                                                           |                                                           |                                                           |
| <b>1</b> | <b>Non-current assets</b>      |                                                               |                                                           |                                                           |                                                           |
|          | Fixed assets                   |                                                               |                                                           |                                                           |                                                           |
|          | Tangible assets                | 44.41                                                         | 49.73                                                     | 22.00                                                     | 12.83                                                     |
|          | Intangible assets              | 31.91                                                         | 35.41                                                     | 8.81                                                      | -                                                         |
|          | Capital work-in-progress       | -                                                             | -                                                         | -                                                         | -                                                         |
|          | Non-current investments        | -                                                             | -                                                         | -                                                         | -                                                         |
|          | Deferred tax assets (net)      | 1,402.40                                                      | 1,237.78                                                  | 754.58                                                    | 355.13                                                    |
|          | Long-term loans and advances   | 4,04,376.05                                                   | 3,87,809.60                                               | 3,31,744.96                                               | 1,66,318.75                                               |
|          | Other Non Current Assets       | -                                                             | -                                                         | -                                                         | -                                                         |
|          |                                | <b>4,05,854.77</b>                                            | <b>3,89,132.52</b>                                        | <b>3,32,530.36</b>                                        | <b>1,66,686.72</b>                                        |
| <b>2</b> | <b>Current assets</b>          |                                                               |                                                           |                                                           |                                                           |
|          | Trade receivables              | -                                                             | -                                                         | -                                                         | -                                                         |
|          | Current investments            | -                                                             | -                                                         | -                                                         | -                                                         |
|          | Stock-in-trade                 | -                                                             | -                                                         | -                                                         | -                                                         |
|          | Cash and bank balances         | 213.47                                                        | 170.62                                                    | 10,186.33                                                 | 317.53                                                    |
|          | Short-term loans and advances  | 1,69,839.28                                                   | 1,79,810.92                                               | 77,955.90                                                 | 18,564.59                                                 |
|          | Other current assets           | -                                                             | -                                                         | 4.11                                                      | 0.56                                                      |
|          |                                | <b>1,70,052.75</b>                                            | <b>1,79,981.54</b>                                        | <b>88,146.34</b>                                          | <b>18,882.68</b>                                          |
|          | <b>TOTAL</b>                   | <b>5,75,907.53</b>                                            | <b>5,69,114.05</b>                                        | <b>4,20,676.70</b>                                        | <b>1,85,569.40</b>                                        |

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

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**  
**Abridged version of financial information**

(Rs. In Lakh)

| Sr. No. | Particulars                                                   | As per Unaudited financials<br>For the period ended<br>30th September-2017 | As per audited financials<br>For the year ended 31st<br>March-2017 | As per audited financials<br>For the year ended<br>31st March-2016 | As per audited financials<br>For the year ended<br>31st March-2015 |
|---------|---------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|
|         | <b>INCOME</b>                                                 |                                                                            |                                                                    |                                                                    |                                                                    |
|         | <b>Revenue from Operations</b>                                |                                                                            |                                                                    |                                                                    |                                                                    |
| 1       | Income from funding activities                                | 45,085.01                                                                  | 78,685.27                                                          | 51,875.99                                                          | 9,413.86                                                           |
| 2       | Income from debt instruments trading (net)                    |                                                                            |                                                                    | -                                                                  | -                                                                  |
| 3       | Interest Income on Debentures                                 |                                                                            |                                                                    | -                                                                  | -                                                                  |
| 4       | Advisory and other fees                                       |                                                                            |                                                                    | -                                                                  | -                                                                  |
| 5       | Income from securitisation                                    |                                                                            |                                                                    | -                                                                  | -                                                                  |
|         | <b>Total</b>                                                  | <b>45,085.01</b>                                                           | <b>78,685.27</b>                                                   | <b>51,875.99</b>                                                   | <b>9,413.86</b>                                                    |
|         | <b>Other Income</b>                                           |                                                                            |                                                                    |                                                                    |                                                                    |
| 1       | Interest Income on FD's & Others                              | -                                                                          | 11.41                                                              | 16.20                                                              | 19.31                                                              |
| 2       | Dividend                                                      | -                                                                          | 14.01                                                              | 46.17                                                              | 365.82                                                             |
| 3       | Profit on sale of investments                                 | 44.50                                                                      | 124.84                                                             | 6.13                                                               | -                                                                  |
| 4       | Provision for long term investments written back              | -                                                                          | -                                                                  | -                                                                  | -                                                                  |
| 5       | Provision for doubtful loans written back                     | -                                                                          | -                                                                  | -                                                                  | -                                                                  |
| 6       | Profit on sale of Asset                                       | -                                                                          | -                                                                  | -                                                                  | 574.05                                                             |
| 7       | Other non operating income                                    | -                                                                          | 0.35                                                               | 0.01                                                               | -                                                                  |
|         | <b>Total</b>                                                  | <b>44.50</b>                                                               | <b>150.60</b>                                                      | <b>68.52</b>                                                       | <b>959.18</b>                                                      |
|         | <b>Gross Total Income</b>                                     | <b>45,129.52</b>                                                           | <b>78,835.88</b>                                                   | <b>51,944.50</b>                                                   | <b>10,373.03</b>                                                   |
|         | <b>EXPENDITURE</b>                                            |                                                                            |                                                                    |                                                                    |                                                                    |
| 1       | Employee benefit expenses                                     | 1,319.74                                                                   | 2,214.53                                                           | 1,865.01                                                           | 1,173.71                                                           |
| 2       | Financial costs                                               | 18,486.32                                                                  | 31,226.20                                                          | 17,468.32                                                          | 1,336.89                                                           |
| 3       | Depreciation/ amortisation                                    | 11.72                                                                      | 20.93                                                              | 8.99                                                               | 1.56                                                               |
| 4       | Operating and other expenses                                  | 1,227.14                                                                   | 2,136.73                                                           | 1,663.67                                                           | 399.40                                                             |
|         | <b>Total</b>                                                  | <b>21,044.92</b>                                                           | <b>35,598.39</b>                                                   | <b>21,005.99</b>                                                   | <b>2,911.56</b>                                                    |
|         | <b>Profit before provision for standard assets and tax</b>    | <b>24,084.59</b>                                                           | <b>43,237.49</b>                                                   | <b>30,938.52</b>                                                   | <b>7,461.47</b>                                                    |
|         | <b>Provision for Standard Assets</b>                          | <b>1,033.98</b>                                                            | <b>760.00</b>                                                      | <b>767.00</b>                                                      | <b>439.27</b>                                                      |
|         | <b>Profit before Tax</b>                                      | <b>23,050.62</b>                                                           | <b>42,477.49</b>                                                   | <b>30,171.52</b>                                                   | <b>7,022.20</b>                                                    |
|         | <b>Tax Expense</b>                                            |                                                                            |                                                                    |                                                                    |                                                                    |
| 1       | Current Tax                                                   | 8,208.00                                                                   | 15,236.00                                                          | 10,851.00                                                          | 2,467.00                                                           |
| 2       | Deferred Tax                                                  | (164.62)                                                                   | (483.19)                                                           | (399.45)                                                           | (324.64)                                                           |
| 3       | (Excess) /Short provision for tax in respect of earlier years |                                                                            | -                                                                  | (34.20)                                                            | -                                                                  |
|         |                                                               | <b>8,043.38</b>                                                            | <b>14,752.81</b>                                                   | <b>10,417.35</b>                                                   | <b>2,142.36</b>                                                    |
|         | <b>Profit after Tax</b>                                       | <b>15,007.23</b>                                                           | <b>27,724.68</b>                                                   | <b>19,754.17</b>                                                   | <b>4,879.84</b>                                                    |

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

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**  
**Statement of Cash Flow**

(Rs. In Lakh)

| PARTICULARS                                                          | Audited              | Audited              | Audited              |
|----------------------------------------------------------------------|----------------------|----------------------|----------------------|
|                                                                      | Year Ended           | Year Ended           | Year Ended           |
|                                                                      | March 31, 2017       | March 31, 2016       | March 31, 2015       |
| <b>A</b> Net Profit before tax                                       | 42,477.49            | 30,171.52            | 7,022.20             |
| Adjustment for :                                                     | -                    | -                    | -                    |
| Depreciation/ Amortisation                                           | 20.93                | 8.99                 | 1.56                 |
| (Profit)/loss on sale of assets                                      | -                    | -                    | (574.05)             |
| Provision for gratuity                                               | 9.44                 | 5.43                 | 5.72                 |
| Provision for compensated absences                                   | 3.78                 | 4.84                 | 23.02                |
| Provision for standard assets                                        | 760.00               | 767.00               | 439.27               |
| Interest on fixed deposits & other                                   | (11.41)              | (16.20)              | (19.31)              |
| Interest expenses - others                                           | 1.37                 | 1.36                 | 0.12                 |
| Dividend on current investments                                      | (14.01)              | (46.17)              | (365.82)             |
| (Profit)/loss on sale of investments                                 | (124.84)             | (6.13)               | -                    |
| <b>Operating Profit before Working Capital Changes</b>               | <b>43,122.75</b>     | <b>30,890.63</b>     | <b>6,532.71</b>      |
| Adjustment for :                                                     | -                    | -                    | -                    |
| Decrease / (Increase) in loans and advances and other current assets | (1,57,835.27)        | (2,24,794.22)        | (1,75,654.89)        |
| Increase in trade payables and other liabilities                     | 3,258.77             | 7,612.32             | 956.92               |
| Increase in Provisions                                               | (5.62)               | 2.62                 | 18.45                |
| <b>Cash generated from/ (used in) operations</b>                     | <b>(1,11,459.37)</b> | <b>(1,86,288.65)</b> | <b>(1,68,146.81)</b> |
| Direct taxes paid (net)                                              | (15,557.93)          | (10,678.82)          | (2,398.98)           |
| <b>Net Cash from/(used in) Operating Activities (A)</b>              | <b>(1,27,017.30)</b> | <b>(1,96,967.47)</b> | <b>(1,70,545.79)</b> |
| <b>B</b> Cash flow from Investing Activities                         | -                    | -                    | -                    |
| Purchase of fixed assets                                             | (75.25)              | (26.97)              | (14.37)              |
| Sale of fixed assets                                                 | -                    | -                    | 583.75               |
| Purchase of non-current investments                                  | -                    | -                    | -                    |
| Sale/ Redemption of non-current investments                          | -                    | -                    | -                    |
| Purchase of current investments                                      | (4,50,550.00)        | (1,67,727.50)        | (1,67,333.22)        |
| Sale of current investments                                          | 4,50,674.84          | 1,67,733.63          | 1,67,333.22          |
| (Increase) / Decrease in other bank balances                         | -                    | 25.00                | (25.00)              |
| Interest received                                                    | 11.41                | 7.29                 | 18.69                |
| Dividend received                                                    | 14.01                | 46.17                | 365.82               |
| <b>Net Cash (used in) Investing Activities (B)</b>                   | <b>75.01</b>         | <b>57.62</b>         | <b>928.89</b>        |
| <b>C</b> Cash flow from Financing Activities                         | -                    | -                    | -                    |
| Proceeds from issue of share capital - Equity/Preference             | -                    | -                    | 88,418.40            |
| Share issue expenses                                                 | -                    | -                    | (88.42)              |
| Proceeds from long term borrowings                                   | 1,43,249.83          | 2,03,590.54          | 11,500.00            |
| Repayment of long-term borrowings                                    | (29,768.94)          | -                    | -                    |
| Proceeds from short-term borrowings                                  | 8,22,992.46          | 5,31,089.72          | 1,19,900.66          |
| Repayment of short-term borrowings                                   | (8,19,545.40)        | (5,27,875.26)        | (50,060.00)          |
| Interest paid                                                        | (1.37)               | (1.36)               | (0.12)               |
| Dividend paid (Including Corporate Dividend Tax)                     | -                    | -                    | -                    |
| <b>Net Cash (used in)/ from Financing Activities (C)</b>             | <b>1,16,926.58</b>   | <b>2,06,803.64</b>   | <b>1,69,670.52</b>   |
| Net (decrease)/ increase in cash and cash equivalents (A+B+C)        | (10,015.71)          | 9,893.80             | 53.62                |
| Cash and cash equivalents at the beginning of the year               | 10,186.33            | 292.53               | 238.91               |
| Cash and cash equivalents at the end of the year                     | <b>170.62</b>        | <b>10,186.33</b>     | <b>292.53</b>        |
| <b>Reconciliation of cash and cash equivalents:</b>                  | <b>31-Mar-2017</b>   | <b>31-Mar-2016</b>   | <b>31-Mar-2015</b>   |
| As per Balance Sheet                                                 | 170.62               | 10,186.33            | 317.53               |
| Less: Other bank balances                                            | -                    | -                    | 25                   |
| Less: interest accrued on bank deposits                              | -                    | -                    | -                    |
| <b>As per Cash-flow statement</b>                                    | <b>170.62</b>        | <b>10,186.33</b>     | <b>292.53</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.

**A.1. 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 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:**

India Ratings and Research Private Limited has assigned a long term rating of “IND AA/ Stable” with a stable outlook to the captioned Issue. As per India Ratings and Research Private Limited’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.

ICRA Limited has assigned a long term rating of “[ICRA] AA” with a stable outlook to the captioned Issue. As per ICRA’s rating letter, instruments with this rating are considered to have high degree of safety regarding timely payment of financial obligations. 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 rating letters and rating rationale obtained from India Ratings and Research Private Limited and ICRA Limited (ICRA) rating letter and is 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 9, 2018 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 Rules, 2014, NBFCs are exempt from this requirement of creation of debenture redemption reserve in respect of privately placed debentures. Pursuant to this rule, the Company is not required to create any such reserve funds for the redemption of the Debentures.

**A.q.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. The Debenture-holders, by purchasing the Debentures, agree that the courts in Mumbai shall have exclusive jurisdiction with respect to any matters relating to the Debentures.

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

**A.q.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 Credit Solutions 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. However, the amount to be paid for the subscription of NCDs should be paid from the bank account of the person subscribing to such NCDs.

In case the payment is made through any electronic mode of payment such as RTGS/NEFT/NACH/ 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/LLP;
- 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. Foreign Account Tax Compliance Act (FATCA) Form

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, DP-ID and beneficiary account number must be mentioned at the appropriate place in the Application Form.

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

**B. ISSUE DETAILS**

The Company proposes to issue upto 835 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. 83,50,00,000/- (Rupees Eighty Three Crore Fifty Lakh only) on a private placement basis in one or more Tranches.

Pursuant to a resolution dated July 21, 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. 8,500 Crore. The present issue of NCDs in terms of this DD 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 April 27, 2017 and by the members at its Annual General meeting held on July 21, 2017, which has approved the issue of Non-Convertible Debentures of upto Rs.4,000 Crore.

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

**SUMMARY TERM SHEET – TRANCHE AL – 2018 (VII)**

**Private Placement of upto 835 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. 83,50,00,000/- (Rupees Eighty Three Crore Fifty Lakh only).**

**A. Common Terms of the Tranche AL NCDs**

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer               | JM Financial Credit Solutions Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Type of Instrument   | Secured, Rated, Listed, Redeemable, Non-Convertible Debentures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Nature of Instrument | Secured                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Seniority            | Senior                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Mode of Issue        | Private placement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Eligible Investors   | In accordance with paragraph “Who can apply” of this 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 9, 2018.</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 20 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                                                                                        | India Ratings and Research Private Limited has assigned a rating of “IND AA/ Stable” & ICRA Limited has assigned a rating of “ICRA AA” to the long term Non-convertible Debenture issue programme of upto Rs. 2,000,00,00,000/- (Rupees Two Thousand Crore only) of the Company.                                                                                                                                                                                         |
| Option to retain oversubscription (Amount)                                                                      | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Interest on Application Money                                                                                   | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 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.                                                                                                                                                                                                                              |
| Discount at which security is issued and the effective yield as a result of such discount.                      | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Face Value                                                                                                      | Rs. 10,00,000/- (Rs. Ten Lakh only) per Debenture                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Minimum Application and in multiples of __ Debt securities thereafter                                           | Minimum 10 Debentures and in multiples of 1 thereafter                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Issue Timing<br>1. Issue Opening Date<br>2. Issue Closing Date<br>3. Pay-in Date<br>4. Deemed Date of Allotment | March 12, 2018<br>March 12, 2018<br>March 12, 2018<br>March 12, 2018                                                                                                                                                                                                                                                                                                                                                                                                     |
| 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 / NACH / other permitted mechanisms                                                                                                                                                                                                                                                                                                                                                                                    |
| Depository(ies)                                                                                                 | NSDL / CDSL                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Business Day Convention                                                                                         | 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.<br>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.<br>Also refer Note 10 herein below                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 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, revaluation, replacement of security) and Ranking of Security. | <p>A debenture trust deed dated August 31, 2017 has been executed between the Issuer and the Debenture Trustee viz., IDBI Trusteeship Services Limited creating security to the extent of Rs. 800 Crore in favour of the Debenture Trustee to cover various issuances up to Rs. 800 Crore to be issued under the shelf Information Memorandum dated May 23, 2017. The outstanding amount under this Debenture Trust Deed as on the date of issue of these NCDs is Rs. 472.90 Crore (excluding the amount of the present issue of NCDs). The present issuance is not part of the said shelf Information Memorandum. This DD is however issued under the said Debenture Trust Deed dated August 31, 2017. The security cover will be maintained post issuance of Tranche AL – 2018 (VII) NCDs.</p> <p>The Debenture Trustee shall not be required to obtain any prior consent of or provide any intimation to the Debenture Holders for the creation of any additional charge on the Movable, provided that no Event of Default has occurred as specifically laid out in Debenture Trust Deed.</p> |
| Minimum Security Cover                                                                                                                                                                    | <p>The Company shall maintain a security cover of 1 time.</p> <p>The Debenture Trustee shall not be required to provide notice to or obtain consent from the Debenture Holders for creating any additional security, so long as no Event of Default has occurred and is continuing, the Company has not defaulted in making payment of the Secured Obligations and the Auditor of the Company/Chartered Accountant in Practice confirms to the Debenture Trustee in writing that the Security Cover for the Debentures shall be maintained.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Transaction Documents                                                                                                                                                                     | Disclosure Document, Debenture Trust Deed, Debenture Trustee Agreement, Addendum to Debenture Trust Deed and any other document that may be designated by the Debenture Trustee as a Transaction Document. This Disclosure Document shall be read in conjunction with the other Transaction Documents and in case of any ambiguity or inconsistency or differences, the Debenture Trust Deed and the Addendum to Debenture Trust Deed shall prevail over this Disclosure Document.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Conditions Precedent to Disbursement                                                                                                                                                      | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Condition Subsequent to Disbursement                                                                                                                                                      | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Events of Default                                                                                                                                                                         | As per Note 13 and as per Debenture Trust Deed as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Provisions related to Cross Default Clause                                                                                                                                                | As mentioned in the Debenture Trust Deed, if any.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

|                                                |                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Role and Responsibilities of Debenture Trustee | As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulation, 2008, the Companies Act, 2013 and the rules made thereunder, the Debenture Trustee Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. |
| Transaction Documents                          | Disclosure Document, the Debenture Trustee Appointment Agreement, the Debenture Trust Deed and any other document that may be designated by the Debenture Trustee as a Transaction Document                                                                                                                         |
| Governing Law and Jurisdiction                 | As per Note 14 below.                                                                                                                                                                                                                                                                                               |

**B. Specific terms of each instrument:**

|                                                                                                  | Option I                                     | Option II                                    | Option III                                   |
|--------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|
| Security Name                                                                                    | 0% JMFCSL<br>10/09/2021                      | 0% JMFCSL<br>10/12/2021                      | 0% JMFCSL<br>04/05/2021                      |
| Number of Debentures                                                                             | Upto 500 Debentures                          | Upto 200 Debentures                          | Upto 135 Debentures                          |
| Issue Size                                                                                       | Upto Rs. 50 Crore                            | Upto Rs. 20 Crore                            | Rs. 13.50 Crore                              |
| Issue Price                                                                                      | Rs. 10,00,000/-<br>(Rupees Ten Lakh)<br>each | Rs. 10,00,000/-<br>(Rupees Ten Lakh)<br>each | Rs. 10,00,000/-<br>(Rupees Ten Lakh)<br>each |
| Discount at which security is issued and the effective yield as a result of such discount.       | None                                         | None                                         | None                                         |
| Interest/Coupon Rate                                                                             | Zero (0%)                                    | Zero (0%)                                    | Zero (0%)                                    |
| Implicit yield (XIRR basis)                                                                      | 9.45% p.a.                                   | 9.45% p.a.                                   | 9.45% p.a.                                   |
| Step Up/Step Down Coupon Rate                                                                    | None                                         | None                                         | None                                         |
| Coupon Payment Frequency                                                                         | Not Applicable                               | Not Applicable                               | Not Applicable                               |
| Coupon payment dates                                                                             | Not Applicable                               | Not Applicable                               | Not Applicable                               |
| Coupon/ Implicit Yield Type                                                                      | Fixed                                        | Fixed                                        | Fixed                                        |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.) | Not Applicable                               | Not Applicable                               | Not Applicable                               |
| Tenor                                                                                            | 1278 days                                    | 1369 days                                    | 1149 days                                    |
| Redemption Date                                                                                  | September 10, 2021                           | December 10, 2021                            | May 4, 2021                                  |
| Redemption Premium                                                                               | Rs. 3,71,858/- per Debenture                 | Rs. 4,03,092/- per Debenture                 | Rs. 3,28,766/- per Debenture                 |
| Redemption Amount                                                                                | Rs. 13,71,858 /- per Debenture               | Rs. 14,03,092 /- per Debenture               | Rs. 13,28,766/- per Debenture                |
| Put Option Date                                                                                  | None                                         | None                                         | None                                         |
| Put Option Price                                                                                 | None                                         | None                                         | None                                         |
| Call Option Date                                                                                 | None                                         | None                                         | None                                         |
| Call Option Price                                                                                | None                                         | None                                         | None                                         |
| Put Notification Time                                                                            | Not Applicable                               | Not Applicable                               | Not Applicable                               |
| Call Notification Time                                                                           | Not Applicable                               | Not Applicable                               | Not Applicable                               |
| Arranger                                                                                         | None                                         | None                                         | None                                         |

Cash flows for the above Tranche AL NCDs:

**a. NCDs with implicit yield (Option I):**

| Cash flows                                   | Date                       | No. of days in redemption | Amount (in Rupees) (per NCD) |
|----------------------------------------------|----------------------------|---------------------------|------------------------------|
| <b>Redemption amount (including premium)</b> | Friday, September 10, 2021 | 1278 Days                 | 13,71,858/-                  |

**b. NCDs with implicit yield (Option II):**

| Cash flows                                   | Date                      | No. of days in redemption | Amount (in Rupees) (per NCD) |
|----------------------------------------------|---------------------------|---------------------------|------------------------------|
| <b>Redemption amount (including premium)</b> | Friday, December 10, 2021 | 1369 Days                 | 14,03,092/-                  |

**c. NCDs with implicit yield (Option III):**

| Cash flows                                   | Date                 | No. of days in redemption | Amount (in Rupees) (per NCD) |
|----------------------------------------------|----------------------|---------------------------|------------------------------|
| <b>Redemption amount (including premium)</b> | Tuesday, May 4, 2021 | 1149 Days                 | 13,28,766/-                  |

Note: The Company reserves the right to amend the above timetable.

**Note 1. Interest on coupon bearing NCDs:****a. Interest rate**

The Interest Rate may be fixed or floating.

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 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 the NCDs 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 DD and the last interest payment due in respect of the NCDs 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 DD. The interest periods applicable in respect of the issue shall be specified in the DD issued.

**Note 2. Zero coupon NCDs:**

Zero coupon NCDs shall carry an implicit yield at the rate mentioned in the 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. 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 4. Redemption:**

Unless previously redeemed or purchased and cancelled as specified below, the NCDs 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 DD.

**Note 5. Payment on Redemption:**

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

**Note 6. Redemption Payment Procedure:****a) NCDs held in physical form:**

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

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

**b) NCDs held in dematerialised form:**

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

**Note 7. Issue Schedule:**

The schedule for the Debentures issued under this Issue shall be specified in the DD issued.

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

**Note 8. Deemed Date of Allotment:**

The Deemed Date of Allotment will be mentioned in the respective 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 9. 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 10. Effect of Holidays:**

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 11. Security:**

A debenture trust deed dated August 31, 2017 has been executed between the Issuer and the Debenture Trustee viz., IDBI Trusteeship Services Limited creating an upfront security in favour of the Debenture Trustee to cover various issuances up to Rs. 800 Crore to be issued under the shelf Information Memorandum dated May 23, 2017. The outstanding amount under this Debenture Trust Deed as on the date of issue of these NCDs is Rs. 472.90 Crore (excluding the amount of the present issue of NCDs). The present issuance is not part of the said shelf Information Memorandum. This DD is however issued under the said Debenture Trust Deed dated August 31, 2017. The security cover will be maintained post issuance of Tranche AL – 2018 (VII) NCDs.

The Debenture Trustee shall not be required to obtain any prior consent of or provide any intimation to the Debenture Holders for the creation of any additional charge on the Movable, provided that no Event of Default has occurred as specifically laid out in Debenture Trust Deed.

The NCDs being issued under the DD is be secured through a first pari passu charge / mortgage / hypothecation over portions of the Moveable Property and such property as identified by the Company as set out in the DD. Further, the receivables will be standard and secured on an ongoing basis and the same will be replaced if turns into NPA. The Security Cover of the NCDs issued under this DD is as per the Issue Details.

The Company shall be entitled to replace / substitute any of the Moveable Property provided as Security in terms of the DD 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 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 DD, 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 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 falls below that stipulated in this DD, the Company shall restore the Security Cover to the stipulated level within a period of 45 Business 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.

**Note 12. Time Limit for creation of Security:**

A debenture trust deed dated August 31, 2017 has been executed between the Issuer and the Debenture Trustee viz., IDBI Trusteeship Services Limited creating an upfront security in favour of the Debenture Trustee to cover various issuances up to Rs. 800 Crore to be issued under the shelf Information Memorandum dated May 23, 2017. The outstanding amount under this Debenture Trust Deed as on the date of issue of these NCDs is Rs. 472.90 Crore (excluding the amount of the present issue of NCDs). The present issuance is not part of the said shelf Information Memorandum. This DD is however issued under the said Debenture Trust Deed dated August 31, 2017. The security cover will be maintained post issuance of Tranche AL – 2018 (VII) NCDs.

The Debenture Trustee shall not be required to obtain any prior consent of or provide any intimation to the Debenture Holders for the creation of any additional charge on the Movable, provided that no Event of Default has occurred as specifically laid out in Debenture Trust Deed.

Further, the addendum to the DTD dated August 31, 2017 will be executed on or before April 21, 2018.

**Note 13. Events of Default:**

The occurrence of any of the following events shall be deemed to be an Event of Default in terms of this Deed:

- a) When the Company fails to make payment when due on any given series/tranche of Debentures which ought to have been paid in accordance with the terms of the issue of such series/tranche of Debentures;
- b) When the Company without the consent of Debenture Holders ceases to carry on its business or gives notice of its intention to do so;

- c) When an order has been made by the Tribunal or a special resolution has been passed by the members of the Company for winding up of the Company;
- d) When any breach of the terms of the relevant Information Memorandum/Pricing Supplement pertaining to any series/tranche of Debentures or of the covenants of this Deed is committed by the Company;
- e) When the Company creates or attempts to create any charge on the Mortgaged Properties or any part thereof without the prior approval of the Debenture Trustee/Debenture Holders; and/or
- f) When the value of the Security not being sufficient to maintain the Security Cover, and the Company fails to cure such default within a maximum period of 45 (Forty Five) days from the date on which the Security Cover was breached and in the opinion of the Debenture Trustee the Security by reason of this is in jeopardy.
- g) When in the opinion of the trustees the security of debenture holders is in jeopardy.

### **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 security documents shall become immediately due and payable; and/or
  - ii) enforce its charge over the Security in terms of the security documents 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 the Transaction Documents or under Indian law.
- b) If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an 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.

## **13.2 Acceleration 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 Majority 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 50.00% on fully diluted basis. However, acceleration shall not be applicable if the shareholding goes below 50% but not below 40% pursuant to any primary issuance of securities 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; and (ii) to control the management or policy decisions; exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner. Provided that a director or officer of a company shall not be considered to be in control over such company, merely by virtue of holding such position.

Upon such request for acceleration, 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 Majority 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. Acceleration due to Net Debt/Equity Ratio (Gearing)**

The Net Debt/Equity ratio (gearing) of the Company shall be capped at 3.5x, 3.75x and 4.00x by end of FY 2018, FY 2019 and FY 2020 respectively and the same shall be tested on quarterly basis i.e. June 30, September 30, December 31 and March 31 every year.

The Company shall inform its Net Debt / Equity Ratio (Gearing) as of June 30, September 30, December 31 and March 31, during the tenure of the debentures, by way of a letter to the debenture holder/debenture trustee, on quarterly basis. Further, the Company shall submit working of Gearing at the end of 60 days. In case the Net Debt/Equity Ratio as of testing dates as above, exceeds the stipulated level, the debenture holder(s) may either request for acceleration of the redemption of the debentures or increase it above stipulated level by taking an NOC from the majority debenture holders, as the case may be. Upon such request for acceleration, the debentures shall be redeemed by the Company within a period of 21 (Twenty One) Business Days. Further, gearing ratio shall be tested on the audited financial statements of the Company.

For the purpose of this covenant, Equity = Equity share capital + Reserves & Surplus (but does not include capital reserve, revaluation reserve, redeemable preference share capital with maturity of less than 5 years and premium on redeemable preference share capital with maturity less than 5 years. However it would include Compulsorily Convertible Preference Shares and long term redeemable preference shares with maturity of more than 5 years and maturing beyond tenor of Debentures issued under the Debenture Trust Deed). For the purpose of this covenant, Net Debt = Financial Indebtedness – Any temporary surplus kept in bank accounts or as investment in mutual funds, fixed deposit, etc to the extent cash credit drawn.

#### **D. Acceleration 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 acceleration by Debenture holders within 15 Business Days:

- 1) Downgrade of long term rating below A+ by any rating agency
- 2) Fresh assignment of long term rating below A+ to the Company or any debt availed/issued by the Company by any 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 acceleration clause, interest on the Debentures would be calculated for the period from the preceding Interest Payment Date till the date of such redemption.

**E. Acceleration due to Net NPA**

The Net NPA of the Company shall be maintained at <5.00% of the gross loan book of the Company and the same shall be tested on semiannual basis i.e. September 30 and March 31, every year.

The Company shall inform its Net NPA as of September 30 and March 31, during the tenure of the debentures, to the debenture holder/debenture trustee, on semiannual basis within 60 days from the end of above period. In case the Net NPA as of testing dates, exceeds the stipulated level, the Company shall have a period of 21 (twenty one) Business Days from the testing dates as above, to lower it to the stipulated level. However, if the Company fails to do so after the aforesaid period, the debenture holder(s) may either request for acceleration of the redemption of the debentures or the Company may take the NOC to allow such deviation from the majority debenture holders, as the case may be, within a period of 15 (fifteen) Business Days from the aforesaid grace period. Upon such request for acceleration, the debentures shall be redeemed by the Company within a period of 21 (Twenty One) Business Days. Further, NPA shall be tested on the semiannual financial statements of the Company.

**Gross loan book** shall mean sum of total principal outstanding to the borrowers.

**Non-Performing Asset** shall have the same meaning as defined under Master Direction - Non Banking Financial Company - Systematically important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions as amended from time to time.

**F. Acceleration due to Negative PAT**

The Company shall maintain Net Profit after Tax in every financial year and the same shall be tested annually from March 31, every year.

The Company shall inform its PAT as of March 31, every year during the tenure of the debentures, to the debenture holder/debenture trustee within 60 days from the end of financial year. In case of negative PAT, the debenture holders have an option for acceleration of redemption of debentures within 15 (fifteen) business days from the date of such communication or the Company may take an NOC to allow such deviation from the majority debenture holders, as the case may be. Upon such request for acceleration, the debentures shall be redeemed by the Company within a period of 21 (Twenty One) Business Days. Further, the PAT shall be tested on the audited annual financial statements of the Company.

**G. Acceleration due to Current Ratio**

The Company shall maintain a current ratio Current Ratio [(Current Assets – Non Performing Assets forming part of Current Assets) / Current Liabilities] at minimum 1.00 time in every financial year and the same shall be tested annually from March 31, every year.

The Company shall inform its Current Ratio as on March 31, during the tenure of the debentures, by way of its audited financial statements to the debenture holder/debenture trustee, on annual basis. In case the Current Ratio falls below the stipulated level, the debenture holder(s) may either request for acceleration of the redemption of the debentures or increase it above stipulated level by taking an NOC from the majority debenture holders, as the case may be. Upon such request for acceleration, the debentures shall be redeemed by the Company within a period of 21 (Twenty One) Business Days.

**Additional covenants:**

- a. **Default in Payment:** In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the interest/coupon rate / implicit yield will be payable by the Company for the defaulting period;
- b. **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.

**Note 14. Governing Law and Jurisdiction:**

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

The investor would also be required to comply with the Foreign Account Tax Compliance Act (FATCA) laws and would be required to fill the FATCA form while making the investment.

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

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

**Note 16. Currency of Payment:**

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

**Note 17. 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 DD. Such buy-back of NCDs may be at par or at discount / premium to the face value at the sole discretion of the Company. The NCDs so purchased may, at the option of the Company, be cancelled, held or resold.

**b. Reissue of Debentures:**

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

**Note 18. 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 19. 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 20. Modification of Rights:**

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

**Note 21. 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) shall be sent by registered post or by hand delivery to the Company at its Registered Office or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt of the same.

**Note 22. 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 23. Transfers:**

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

**Note 24. 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 25. 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. Supplemental Debenture Trust Deed

**Note 26. 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 addendum to 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.

**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, as amended from time to time
2. NBFC registration certificate dated August 27, 2003 issued by Reserve Bank of India
3. Investment Agreement dated June 18, 2014 executed by and between the Company, JM Financial Limited, Mr. Vikram Shankar Pandit and Mr. Hariharan Ramamurthi Aiyar
4. Resolution of the Board of Directors passed at its meeting held on May 12, 2016 approving, inter-alia, the issue of Non-Convertible Debentures aggregating upto Rs. 1750,00,00,000/- (Rupees One Thousand and Seven Hundred and Fifty Crore only)
5. Resolution passed by the Board of Directors at its meeting held on January 21, 2015 appointing Deloitte Haskins & Sells LLP as Auditors of the Company
6. Resolution passed by the shareholders of the Company at the Extra-ordinary General Meeting held on February 10, 2017 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. 8,500,00,00,000/- (Rupees Eight Thousand Five Hundred Crore only)
7. Resolution passed by the shareholders of the Company at the Extra-ordinary 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. 3,000 Crore (Rupees One Thousand Seven Hundred and Fifty 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.
8. Annual Reports for the five years ended March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 of the Company
9. Letter dated February 16, 2018 from India Ratings and Research Private Limited and letter dated February 16, 2018 from ICRA Limited, assigning credit rating to the NCDs
10. Tripartite agreement between the Company, Registrar and CDSL
11. Tripartite agreement between the Company, Registrar and NSDL
12. The Company has appointed Karvy Computershare Private Limited as its Registrar and Share Transfer Agents and has terminated the services from Sharepro Services (India) Private Limited.
13. Consent letter issued by Karvy Computershare Private Limited dated March 9, 2018 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
14. Shelf Disclosure Document dated March 23, 2015 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 400,00,00,000/- (Rupees Four Hundred Crore) alongwith all the supplemental Disclosure Documents issued pursuant thereto
15. Shelf Disclosure Document dated July 29, 2015 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 600,00,00,000/- (Rupees Six Hundred Crore) alongwith all the supplemental Disclosure Documents issued pursuant thereto

16. Shelf Disclosure Document dated February 1, 2016 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 100,00,00,000/- (Rupees One Hundred Crore) alongwith all the supplemental Disclosure Documents issued pursuant thereto
17. Shelf Disclosure Document dated August 22, 2016 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 439,00,00,000/- (Rupees Four Hundred and Thirty Nine Crore) alongwith all the supplemental Disclosure Documents issued pursuant thereto
18. Shelf Disclosure Document dated May 23, 2017 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 800,00,00,000/- (Rupees Eight Hundred Crore) alongwith all the supplemental Disclosure Documents issued pursuant thereto
19. Disclosure Document dated January 19, 2018 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 18,30,00,000/- (Rupees Eight Crore Thirty Lakh only)
20. Debenture Trust Deed dated March 25, 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. 400,00,00,000/- (Rupees Four Hundred Crore)
21. Debenture Trust Deed dated August 3, 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. 600,00,00,000/- (Rupees Six Hundred Crore)
22. Debenture Trust Deed dated May 6, 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. 100,00,00,000/- (Rupees One Hundred Crore)
23. Debenture Trust Deed dated November 29, 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. 439,00,00,000/- (Rupees Four Hundred and Thirty Nine Crore)
24. Debenture Trust Deed dated August 31, 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. 800,00,00,000/- (Rupees Eight Hundred Crore)

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 April 27, 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 DD.

For JM Financial Credit Solutions Limited

Place: Mumbai  
Date: March 9, 2018



  
**Hemant Pandya** 31  
Company Secretary

## SECTION IV

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

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

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

| Sr. No.   | Disclosure Requirements                                                                                                                                                                                                                                                                                           | Page No.                                     |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| <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.                                                                                                                                                                                           | 18<br>www.jmfl.com                           |
| b.        | Date of incorporation of the company.                                                                                                                                                                                                                                                                             | May 15, 1980                                 |
| c.        | Business carried on by the company and its subsidiaries with the details of branches or units, if any.                                                                                                                                                                                                            | 19                                           |
| d.        | Brief particulars of the management of the company.                                                                                                                                                                                                                                                               | 25-27                                        |
| e.        | Names, addresses, DIN and occupations of the directors.                                                                                                                                                                                                                                                           | 25                                           |
| f.        | Management's perception of risk factors.                                                                                                                                                                                                                                                                          | 9-17                                         |
| g.        | Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:<br>(i) Statutory dues;<br>(ii) Debentures and interest thereon;<br>(iii) Deposits and interest thereon; and<br>(iv) Loan from any bank or financial institution and interest thereon. | None                                         |
| h.        | Name, designation, address, phone number, email ID of the compliance officer of the company, if any, for the private placement offer process.                                                                                                                                                                     | 18                                           |
| <b>2.</b> | <b>PARTICULARS OF THE OFFER</b>                                                                                                                                                                                                                                                                                   |                                              |
| a.        | Date of passing of board resolution.                                                                                                                                                                                                                                                                              | April 27, 2017 read with<br>January 16, 2017 |
| b.        | Date of passing of resolution in the general meeting, authorising the offer of securities.                                                                                                                                                                                                                        | July 21, 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.                                                                                                                                                                                                | 46                                           |
| e.        | Name and address of the valuer who performed valuation of the security offered.                                                                                                                                                                                                                                   | Not Applicable                               |

| Sr. No.   | Disclosure Requirements                                                                                                                                                                                                                                                                                                                                                                                                                 | Page No.                                                                  |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| f.        | Amount which the company intends to raise by way of securities.                                                                                                                                                                                                                                                                                                                                                                         | 43                                                                        |
| g.        | Terms of raising of securities:<br>(i)Duration, if applicable;<br>(ii)Rate of dividend;<br>(iii)Rate of interest;<br>(iv)Mode of payment; and<br>(v)Repayment.                                                                                                                                                                                                                                                                          | 46<br>Not Applicable<br>Not Applicable<br>44<br>44                        |
| h.        | Proposed time schedule for which the offer letter is valid.                                                                                                                                                                                                                                                                                                                                                                             | 44                                                                        |
| i.        | Purposes and objects of the offer.                                                                                                                                                                                                                                                                                                                                                                                                      | 44                                                                        |
| 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.                                                                                                                                                                                                                                                                                                                                                                           |                                                                           |
| <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).                                                                                                                                                                                                                                                                                                                                                     | None, apart from the sitting fees being paid to the Independent Directors |
| d.        | Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.                                                                                                                                                                                                                 | Refer to the Annexures provided in DD.                                    |
| 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                                                                                                           | None                                                                      |

| Sr. No.   | Disclosure Requirements                                                                                                                                                                                                                                                                                         | Page No.                                                                                                                                                                                                               |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           | 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.                                                                                          |                                                                                                                                                                                                                        |
| 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);                                                                                                                                                                                         | 22                                                                                                                                                                                                                     |
| (b)       | Size of the present offer; and                                                                                                                                                                                                                                                                                  | Not Applicable                                                                                                                                                                                                         |
| (c)       | Paid up capital:<br>(A) After the offer; and<br>(B) After conversion of convertible instruments (if applicable);                                                                                                                                                                                                | Not Applicable<br>Not Applicable                                                                                                                                                                                       |
| (d)       | Securities 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 22 of Shelf 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. | The Company has converted 12,15,292 CCPS held by INH Mauritius 1 and 34,204 CCPS held by Ms. Aparna Murthy Aiyar into equal number of fully paid-up Equity Shares on February 9, 2017 and July 21, 2017, respectively. |
| b.        | Profits of the company, before and after making provision for tax, for the three financial years (audited) immediately preceding the date of circulation of offer letter.                                                                                                                                       | 35                                                                                                                                                                                                                     |
| c.        | Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (audited) (Cash profit after tax plus interest paid/interest paid).                                                                                                                | None                                                                                                                                                                                                                   |
| d.        | A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.                                                                                                                                                        | 34                                                                                                                                                                                                                     |
| e.        | Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.                                                                                                                                                                                                  | 36                                                                                                                                                                                                                     |
| 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 - V**

**ANNEXURES**

**A – CREDIT RATING LETTERS FROM INDIA RATINGS AND RESEARCH  
PRIVATE LIMITED AND ICRA LIMITED**

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

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

Mr. Shashwat Belapurkar  
Chief Executive Officer  
JM Financial Credit Solutions Limited,  
7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025

March 9, 2018

Dear Sir,

**Re: Rating of JM Financial Credit Solutions Limited's (JMFCFS) debt instrument**

India Ratings (see definition below) affirms the following rating of JMFCFS:-

INR30bn Non-convertible debentures (NCD): 'IND AA/Stable'

Of the above amount NCD limit, INR14.27bn is outstanding.

INR35bn Bank loans: 'IND AA/Stable'

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action

commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings' ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, to investors.

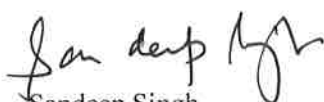
It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "**India Ratings**" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at +91-022-4000-1700.

Sincerely,  
India Ratings



Sandeep Singh  
Senior Director



Prakash Agarwal  
Director



ICRA Limited

CONFIDENTIAL

Ref: 2017-18/MUM/1660  
Date: January 29, 2018

Mr. Gagan Kothari  
Chief Financial Officer  
JM Financial Credit Solutions Limited  
5B, 5th Floor, Cnergy, Appasaheb Marathe Marg,  
Prabhadevi, Mumbai – 400 025.

Dear Sir,

**Re: ICRA Credit Rating for Rs. 3,000 crore Non-convertible debenture programme of JM Financial Credit Solutions Limited**

Please refer the Rating Agreement between ICRA Limited ("ICRA") and your company, whereby, ICRA is required to review the ratings assigned to your company on an annual basis or as and when circumstances so warrant.

Please note that the Rating Committee of ICRA, after due consideration of the latest developments in your company, has reaffirmed the rating of your non-convertible debenture (NCD) programme at **[ICRA]AA** (pronounced as ICRA Double A) with **stable** outlook. 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.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as **[ICRA]AA (stable)**.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to review and/ or, revise the above rating 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 instruments issued by you.

You are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme. This is in line with requirements as prescribed in circular dated June 30, 2017 on '**Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)**' issued by the Securities and Exchange Board of India.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,  
For ICRA Limited

  
**ANJAN DEB GHOSH**  
Executive Vice president  
[aghosh@icraindia.com](mailto:aghosh@icraindia.com)

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

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](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**

No.10124/ITSL/OPR/CL/17-18/DEB/1102

Date: March 09, 2018

**JM Financial Credit Solutions Limited**7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg,

Prabhadevi, Mumbai - 400 025

**Kind Attn: Mr. Gagan Kothari, Chief Financial Officer**

Dear Sir,

**Subject: Consent to act as Debenture Trustee for Secured Redeemable Non-Convertible Debentures (NCDs) aggregating upto Rs. 83.50 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. 83.50 Crores. 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 agrees and undertakes 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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Uniform Listing Agreement 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.



Please feel free to contact us for query. For information on our services, visit website [www.idbitrustee.co.in](http://www.idbitrustee.co.in)

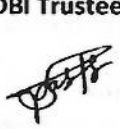
**Regd. Office :** Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.  
**Tel. :** 022-4080 7000 • **Fax :** 022-6631 1776 • **Email :** itsl@idbitrustee.com • response@idbitrustee.com  
**Website :** [www.idbitrustee.com](http://www.idbitrustee.com)

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 Credit Solutions Limited



(Authorized Signatory)

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JM FINANCIAL CREDIT SOLUTIONS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **JM Financial Credit Solutions Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit 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.

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Haskins & Sells LLP**

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

We believe that the audit evidence obtained by us, 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, 2017, 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 relevant 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- 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, as amended, 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 litigation 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 which were required to be transferred to the Investor

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- Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained 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, 27<sup>th</sup> April, 2017

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

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section 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 Credit Solutions Limited** ("the Company") as of 31<sup>st</sup> March, 2017 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.

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## **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 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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, 27<sup>th</sup> April, 2017**

**Annexure B to the Independent Auditor's Report**

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

- (i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. 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, transfer deed / conveyance 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.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loan, 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 loan is, 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 overdue amount remaining outstanding as at the year-end.
- (iv) The company being Non-Banking Finance Company and does not have any investment, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has 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 where applicable, to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.
  - (b) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on 31st March 2017 on account of disputes.

DHC  
UP

**Deloitte  
Haskins & Sells LLP**

- (viii) 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 financial institutions, banks and dues to debenture holders. The Company does not have loans or borrowings from Government.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer.
- (x) 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.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration to the managerial personnel hence the requirement of provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) 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.
- (xiv) 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.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into 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.
- (xvi) In our opinion and according to the information and explanation given to us, 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, 27<sup>th</sup> April, 2017**

## AUDITORS' REPORT FOR NON DEPOSIT TAKING NBFCs

The Board of Directors  
**JM Financial Credit Solutions Limited,**  
7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg, Prabhadevi,  
Mumbai- 400 025

Dear Sirs,

As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ('the Directions') issued by Reserve Bank of India and on the basis of our audit of the books of account and other records of **JM Financial Credit Solutions Limited** ("the Company") for the year ended 31<sup>st</sup> March, 2017 in accordance with the Generally Accepted Auditing Standards and according to the information, explanations and representations given to us by the Management, we report as follows in terms of paragraphs 3 and 4 of the Directions:

1. The Company is engaged in the business of Non- Banking Financial Institution as defined in Section 45 I (a) of the Reserve Bank of India Act, 1934 and has obtained Certificate of Registration (CoR) bearing No. B-13.01681 dated 27<sup>th</sup> August, 2003 from the Reserve Bank of India ("the RBI").
2. The Company is entitled to continue to hold the CoR based on its asset/ income pattern as on 31<sup>st</sup> March, 2017, which has been computed in the manner laid down in the RBI Circular No. DNBS (PD) C.C. NO. 81 / 03.05.002 /2006-07 dated 19<sup>th</sup> October, 2006.
3. The Company is meeting the requirement of net owned fund as laid down in Master Direction- Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
4. The Board of Directors has passed a resolution on 6<sup>th</sup> April, 2016 for non-acceptance of public deposits.
5. The Company has not accepted any public deposit during the year.
6. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

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7. The Capital Adequacy Ratio (CRAR) of the Company as on 31<sup>st</sup> March, 2017 has been correctly computed. The said ratio is in compliance with the minimum CRAR of 15% as prescribed by the RBI.
8. The Company has submitted the annual statement of capital funds, risk assets/ exposures and risk asset ratio (NBS-7) as on 31<sup>st</sup> March, 2016 to the RBI on 29<sup>th</sup> June, 2016, which is within the stipulated period. NBS-7 as on 31<sup>st</sup> March, 2017, due for submission on or before 30<sup>th</sup> June, 2017, is pending submission.

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



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

**Mumbai, 27<sup>th</sup> April, 2017**



**JM FINANCIAL CREDIT SOLUTIONS  
LIMITED**

**Financial Statements**

**Financial Year 2016 - 2017**

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**BALANCE SHEET AS AT MARCH 31, 2017**

|                                                                   |                                            | Note No. | As at 31.03.2017<br>(In Rs Crore) | As at 31.03.2016<br>(In Rs Crore) |
|-------------------------------------------------------------------|--------------------------------------------|----------|-----------------------------------|-----------------------------------|
| <b>I.</b>                                                         | <b>EQUITY AND LIABILITIES</b>              |          |                                   |                                   |
| <b>1</b>                                                          | <b>Shareholders' funds</b>                 |          |                                   |                                   |
|                                                                   | Share capital                              | 2        | 2.50                              | 2.50                              |
|                                                                   | Reserves and surplus                       | 3        | 1,410.77                          | 1,133.52                          |
|                                                                   |                                            |          | <b>1,413.27</b>                   | <b>1,136.02</b>                   |
| <b>2</b>                                                          | <b>Non-current liabilities</b>             |          |                                   |                                   |
|                                                                   | Long-term borrowings                       | 4        | 2,567.57                          | 1,956.97                          |
|                                                                   | Other long-term liabilities                | 5        | 23.78                             | 12.63                             |
|                                                                   | Long-term provisions                       | 6        | 20.23                             | 12.59                             |
|                                                                   |                                            |          | <b>2,611.58</b>                   | <b>1,982.19</b>                   |
| <b>3</b>                                                          | <b>Current liabilities</b>                 |          |                                   |                                   |
|                                                                   | Short-term borrowings                      | 7        | 852.52                            | 818.05                            |
|                                                                   | Trade payables:                            | 8        |                                   |                                   |
|                                                                   | Due to micro, small and medium enterprises |          |                                   |                                   |
|                                                                   | Others                                     |          | 1.96                              | 7.41                              |
|                                                                   | Other current liabilities                  | 9        | 811.47                            | 260.38                            |
|                                                                   | Short-term provisions                      | 10       | 0.33                              | 2.72                              |
|                                                                   |                                            |          | <b>1,666.28</b>                   | <b>1,088.56</b>                   |
|                                                                   |                                            |          | <b>5,691.13</b>                   | <b>4,206.77</b>                   |
| <b>II.</b>                                                        | <b>ASSETS</b>                              |          |                                   |                                   |
| <b>1</b>                                                          | <b>Non-current assets</b>                  |          |                                   |                                   |
|                                                                   | Fixed assets:                              | 11       |                                   |                                   |
|                                                                   | Tangible assets                            |          | 0.49                              | 0.22                              |
|                                                                   | Intangible assets                          |          | 0.35                              | 0.09                              |
|                                                                   | Deferred tax assets (net)                  | 12       | 12.38                             | 7.55                              |
|                                                                   | Long-term loans and advances               | 13       | 3,878.10                          | 3,317.45                          |
|                                                                   |                                            |          | <b>3,891.32</b>                   | <b>3,325.31</b>                   |
| <b>2</b>                                                          | <b>Current assets</b>                      |          |                                   |                                   |
|                                                                   | Cash and cash equivalents                  | 14       | 1.70                              | 101.86                            |
|                                                                   | Short-term loans and advances              | 15       | 1,798.11                          | 779.56                            |
|                                                                   | Other current assets                       | 16       | -                                 | 0.04                              |
|                                                                   |                                            |          | <b>1,799.81</b>                   | <b>881.46</b>                     |
|                                                                   |                                            |          | <b>5,691.13</b>                   | <b>4,206.77</b>                   |
| Significant accounting policies and notes to financial statements |                                            | 1 to 47  |                                   |                                   |

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

**Chartered Accountants**

Registration No. 117366W/W-100018

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



**Abhijit A. Damle**  
Partner  
Membership No. 102912  
Place: Mumbai  
Date: April 27, 2017

**Vikram Pandit**  
Chairman  
DIN – 07062676

**Shashwat Belapurkar**  
Chief Executive Officer

Place: Mumbai  
Date: April 27, 2017

**Vishal Kampani**  
Vice Chairman  
DIN – 00009079

**Gagan Kothari**  
Chief Financial Officer

**Hariharan Aiyar**  
Vice Chairman  
DIN – 01374306

**Hemant Pandya**  
Company Secretary

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**



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

|             |                                                                   | Note No. | For the year ended 31.03.2017<br>(In Rs Crore) | For the year ended 31.03.2016<br>(In Rs Crore) |
|-------------|-------------------------------------------------------------------|----------|------------------------------------------------|------------------------------------------------|
| <b>I.</b>   | <b>Income:</b>                                                    |          |                                                |                                                |
| (a)         | Revenue from operations                                           | 17       | 786.85                                         | 518.76                                         |
| (b)         | Other income                                                      | 18       | 1.51                                           | 0.69                                           |
|             | <b>Total Revenue</b>                                              |          | <b>788.36</b>                                  | <b>519.45</b>                                  |
| <b>II.</b>  | <b>Expenses:</b>                                                  |          |                                                |                                                |
| (a)         | Employee benefits expense                                         | 19       | 22.15                                          | 18.65                                          |
| (b)         | Finance costs                                                     | 20       | 312.26                                         | 174.68                                         |
| (c)         | Provision for loans                                               | 21       | 7.60                                           | 7.67                                           |
| (d)         | Depreciation and amortization expense                             | 11       | 0.21                                           | 0.09                                           |
| (e)         | Operating and other expenses                                      | 22       | 21.36                                          | 16.64                                          |
|             | <b>Total expenses</b>                                             |          | <b>363.58</b>                                  | <b>217.73</b>                                  |
| <b>III.</b> | <b>Profit before Tax</b>                                          |          | <b>424.78</b>                                  | <b>301.72</b>                                  |
| <b>IV</b>   | <b>Less: Tax expense</b>                                          |          |                                                |                                                |
|             | Current tax                                                       |          | 152.36                                         | 108.51                                         |
|             | Deferred tax                                                      |          | (4.83)                                         | (3.99)                                         |
|             | Excess provision for tax in respect of earlier year (net)         |          | -                                              | (0.34)                                         |
|             |                                                                   |          | <b>147.53</b>                                  | <b>104.18</b>                                  |
| <b>V</b>    | <b>Profit for the year</b>                                        |          | <b>277.25</b>                                  | <b>197.54</b>                                  |
| <b>VI</b>   | <b>Earning Per Equity Share</b>                                   | 28       |                                                |                                                |
|             | (Face value of Rs. 10/- each)                                     |          |                                                |                                                |
|             | Basic                                                             |          | 1,952.70                                       | 1,580.33                                       |
|             | Diluted                                                           |          | 1,906.77                                       | 790.32                                         |
|             | Significant accounting policies and notes to financial statements | 1 to 47  |                                                |                                                |

In terms of our report attached

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

Registration No. 117366W/W-100018

Abhijit A. Damle  
Partner  
Membership No. 102912  
Place: Mumbai  
Date: April 27, 2017

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

Vikram Pandit  
Chairman  
DIN – 07062676

Shashwat Belapurkar  
Chief Executive Officer

Place: Mumbai  
Date: April 27, 2017

Vishal Kampani  
Vice Chairman  
DIN – 00009079

Gagan Kothari  
Chief Financial Officer

Hariharan Aiyar  
Vice Chairman  
DIN – 01374306

Hemant Pandya  
Company Secretary

## 1. Significant Accounting Policies

### 1. 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, as applicable and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable and the circulars and guidance issued by Reserve Bank of India from time to time. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in preparation of financial statements are consistent with those followed in previous year.

### 2. Current / Non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non-current.

### 3. Use of estimates

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles which require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known / materialised

### 4. Fixed Assets

#### Tangible Assets

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

#### Depreciation

Depreciation on fixed assets is provided on the straight line method at the following rates:

| Assets                 | Useful Life                                 |
|------------------------|---------------------------------------------|
| Vehicles               | 5 years                                     |
| Computers              | 3 years                                     |
| Servers and Networks   | 6 years                                     |
| Office Equipment       | 5 years                                     |
| Furniture and Fixtures | 10 years                                    |
| Leasehold improvements | 10 years or lease period whichever is lower |

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

Assets taken on finance lease are depreciated over a period of lease.

#### Intangible Assets

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

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**5. Impairment of assets**

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets' net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

**6. Investments**

Investments are classified as non-current or current. Non-current investments are carried at cost, however, provision for diminution in the value of long-term investments is made to recognise a decline, other than temporary, in the value of investments. The provision for diminution in the value of the quoted long-term investments is made to recognise the decline at lower of cost or market value, determined on the basis of the quoted prices of individual investment. Provision for diminution in the value of unquoted long-term investments is made as per the Management's estimate. Current investments are carried at lower of cost or fair value. Unquoted current investments in units of Mutual Funds are valued at the Net Asset Value of each particular scheme.

**7. Revenue recognition**

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

Additional finance charges / additional interest are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

Processing fees received from customers is recognised as income on receipt basis

Dividend income is recognised when the right to receive the dividend is established.

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

All loans and other credit exposures, where the installments are overdue for a period of four months or more are classified as NPA. Provision is made in respect of NPA and SA in accordance with the stipulations of Prudential Norms prescribed in the "Systemically Important Non Banking Financials (Non-Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2016" by the Reserve Bank of India (RBI). Additional provisions (over and above the provisioning requirements under the Directions as specified by RBI) are also made as per guidelines prescribed by the Board of Directors.

**9. 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 Statement of Profit and Loss.

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

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

Short term employee benefits are recognized as an expense at the undiscounted amount in Statement of Profit and Loss of the year in which the related services are rendered.

**10. 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 recognized in the Statement of Profit and Loss in the period they occur.

**11. 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.

**12. Earnings per Equity share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**13. 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 CREDIT SOLUTIONS LIMITED**



**2. SHARE CAPITAL**

(In Rs Crore)

|                                                                                               | As at 31.03.2017 | As at 31.03.2016 |
|-----------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Authorised</b>                                                                             |                  |                  |
| 30,00,000 Equity shares of Rs 10/- each                                                       | 3.00             | 3.00             |
| 20,00,000 Preference shares of Rs 10/- each                                                   | 2.00             | 2.00             |
|                                                                                               | <b>5.00</b>      | <b>5.00</b>      |
| <b>Issued, Subscribed and Paid-up</b>                                                         |                  |                  |
| 24,65,296 (P.Y 12,50,004) Equity shares of Rs 10/- each fully paid-up                         | 2.47             | 1.25             |
| 34,204 (P.Y 12,49,496) Compulsory convertible preference shares of Rs 10/- each fully paid-up | 0.03             | 1.25             |
| <b>Total</b>                                                                                  | <b>2.50</b>      | <b>2.50</b>      |

**2.1 Reconciliation of the number of shares outstanding**

**Equity Shares**

|                                                      | As at 31.03.2017 |             | As at 31.03.2016 |             |
|------------------------------------------------------|------------------|-------------|------------------|-------------|
|                                                      | Number           | Amount      | Number           | Amount      |
| Shares outstanding at the beginning of the year      | 12,50,004        | 1.25        | 12,50,004        | 1.25        |
| Shares issued during the year pursuant to conversion | 12,15,292        | 1.22        | -                | -           |
| Shares bought back during the year                   | -                | -           | -                | -           |
| <b>Shares outstanding at the end of the year</b>     | <b>24,65,296</b> | <b>2.47</b> | <b>12,50,004</b> | <b>1.25</b> |

**Compulsory Convertible Preference Shares**

|                                                  | As at 31.03.2017 |             | As at 31.03.2016 |             |
|--------------------------------------------------|------------------|-------------|------------------|-------------|
|                                                  | Number           | Amount      | Number           | Amount      |
| Shares outstanding at the beginning of the year  | 12,49,496        | 1.25        | 12,49,496        | 1.25        |
| Shares issued during the year                    | -                | -           | -                | -           |
| Shares converted into equity shares              | (12,15,292)      | (1.22)      | -                | -           |
| <b>Shares outstanding at the end of the year</b> | <b>34,204</b>    | <b>0.03</b> | <b>12,49,496</b> | <b>1.25</b> |

**2.2 Details of shareholding in excess of 5%**

|                                              | As at 31.03.2017 |        | As at 31.03.2016 |          |
|----------------------------------------------|------------------|--------|------------------|----------|
|                                              | Number           | Amount | Number           | Amount   |
| <b>Equity Shares :</b>                       |                  |        |                  |          |
| JM Financial Limited along with its nominees | 12,50,000        | 50.70% | 12,50,000        | 99.9997% |
| INH Mauritius 1                              | 12,15,292        | 49.30% | -                | -        |
| <b>Preference Shares :</b>                   |                  |        |                  |          |
| INH Mauritius 1                              | -                | -      | 12,15,292        | 97.26%   |

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**2.3 Terms and rights attached to each class of shares:****Equity Shares:**

The Company has only one class of shares referred to as equity shares having a face value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders.

**Compulsory Convertible Preference Shares (CCPS):****Right to Rank Prior to Equity Shares:**

The CCPS shall rank prior to the equity shares of the Company (the equity shares) for the purpose of dividend, liquidation, dissolution or winding up of the Company, subject to the provisions of the Act, as amended from time to time.

**Voting rights:**

The holders of the CCPS shall be entitled to voting rights only in respect of those resolutions placed before the Company which directly affect the rights attached to the CCPS

**Dividend:**

The rate of dividend in respect of CCPS shall be 0.00001% per annum of the face value of the CCPS on non-cumulative basis.

The CCPS shall be non-cumulative compulsorily convertible preference share of face value Rs. 10/- each

**Terms of Preference shares:**

CCPS shall be automatically converted in to Equity Shares on the third anniversary of the allotment of shares to the Investors. The CCPS shall be converted into Equity Shares such that the aggregate shareholding of the Investors post such conversion shall be 49.99% of the total paid up equity share capital of the Company. The issue price per Equity Share arising out of the said conversion shall be adjusted as per the terms and conditions agreed upon between the Company and the holders of the CCPS in writing.

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**3 RESERVES AND SURPLUS**

(In Rs Crore)

|                                                    | As at 31.03.2017 | As at 31.03.2016 |
|----------------------------------------------------|------------------|------------------|
| <b>a. Securities Premium Reserve</b>               |                  |                  |
| Balance as per last Balance Sheet                  | 881.16           | 881.16           |
| <b>b. General Reserve</b>                          |                  |                  |
| Balance as per last Balance Sheet                  | 0.17             | 0.17             |
| <b>c. Statutory Reserve</b>                        |                  |                  |
| Opening balance                                    | 49.98            | 10.46            |
| (+) Transferred during the year                    | 55.45            | 39.52            |
| <b>Closing balance</b>                             | <b>105.43</b>    | <b>49.98</b>     |
| <b>d. Surplus in Statement of Profit and Loss:</b> |                  |                  |
| Opening balance                                    | 202.21           | 44.19            |
| (+) Profit for the year                            | 277.25           | 197.54           |
|                                                    | <b>479.46</b>    | <b>241.73</b>    |
| (-) Appropriations                                 |                  |                  |
| Transferred to statutory reserve                   | 55.45            | 39.52            |
| <b>Closing balance</b>                             | <b>424.01</b>    | <b>202.21</b>    |
| <b>Total</b>                                       | <b>1,410.77</b>  | <b>1,133.52</b>  |

**4 LONG-TERM BORROWINGS**

(In Rs Crore)

|                                                                        | As at 31.03.2017 | As at 31.03.2016 |
|------------------------------------------------------------------------|------------------|------------------|
| <b>Secured</b>                                                         |                  |                  |
| Term loan (refer note 4.1)                                             |                  |                  |
| - From Banks                                                           | 1,871.06         | 1,190.00         |
| - From other parties                                                   | -                | 25.00            |
| Less: Current maturities of term loans                                 | (358.14)         | (118.93)         |
|                                                                        | <b>1,512.92</b>  | <b>1,096.07</b>  |
| Non-convertible debentures (refer note 4.2 and 4.3)                    | 1,414.60         | 935.90           |
| Less: Current maturities of Non-convertible debentures                 | (360.00)         | (75.00)          |
|                                                                        | <b>1,054.60</b>  | <b>860.90</b>    |
| Finance lease obligations                                              | 0.09             | 0.04             |
| Less: Current maturities of Finance Lease Obligations (refer note 4.4) | (0.04)           | (0.04)           |
|                                                                        | <b>0.05</b>      | <b>-</b>         |
|                                                                        | <b>2,567.57</b>  | <b>1,956.97</b>  |

**4.1 Term loans:**

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.

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**



b) Maturity profile and rate of interest of term loans:

(In Rs Crore)

| Residual Maturities | Non-Current                                |                                               |                 |                                            |                                               |                 |
|---------------------|--------------------------------------------|-----------------------------------------------|-----------------|--------------------------------------------|-----------------------------------------------|-----------------|
|                     | As on March 31, 2017                       |                                               |                 | As on March 31, 2016                       |                                               |                 |
|                     | 1-3 years<br>(April 2017 to<br>March 2020) | 3 years &<br>above<br>(April 2020<br>onwards) | Total           | 1-3 years<br>(April 2016 to<br>March 2019) | 3 years &<br>above<br>(April 2019<br>onwards) | Total           |
| Rate of interest*   |                                            |                                               |                 |                                            |                                               |                 |
| 8.00 % to 9.00%     | 910.99                                     | 320.00                                        | 1,230.99        | -                                          | -                                             | -               |
| 9.00 % to 10.00%    | 139.42                                     | 7.50                                          | 146.92          | 76.67                                      | 100.00                                        | 176.67          |
| 10.01% to 11.00%    | 135.01                                     | -                                             | 135.01          | 752.76                                     | 166.64                                        | 919.40          |
| <b>Total</b>        | <b>1,185.42</b>                            | <b>327.50</b>                                 | <b>1,512.92</b> | <b>829.43</b>                              | <b>266.64</b>                                 | <b>1,096.07</b> |

\*The rate of interest for the above term loans is linked to the base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

**4.2 Non-Convertible Debentures:**

a) Rs.350 crore (Previous year Rs.400 crore) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

b) Rs.571.90 crore (Previous year Rs.505.90 crore) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

c) Rs.55 crore (Previous year Rs.30 crore) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

d) Rs.437.70 crore (Previous year nil) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

**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:**

(In Rs Crore)

| Particulars                              | Non-Current  |               | Current      |               |
|------------------------------------------|--------------|---------------|--------------|---------------|
|                                          | Current year | Previous year | Current year | Previous year |
| 9.90% NCD redeemable in year 2016-17     | -            | -             | -            | 50.00         |
| 0% NCD redeemable in year 2016-17*       | -            | -             | -            | 25.00         |
| 0% NCD redeemable in year 2017-18*       | -            | 50.00         | 50.00        | -             |
| 10.1674 % NCD redeemable in year 2017-18 | -            | 75.00         | 75.00        | -             |
| 10.1687 % NCD redeemable in year 2017-18 | -            | 100.00        | 100.00       | -             |
| 10.5 % NCD redeemable in year 2017-18    | -            | 60.00         | 60.00        | -             |
| 9.9756 % NCD redeemable in year 2017-18  | -            | 75.00         | 75.00        | -             |
| 0% NCD redeemable in year 2018-19*       | 3.00         | 3.00          | -            | -             |
| 10.2609 % NCD redeemable in year 2018-19 | 300.00       | 300.00        | -            | -             |
| 10.2946 % NCD redeemable in year 2018-19 | 100.00       | 100.00        | -            | -             |
| 9.7307 % NCD redeemable in year 2018-19  | 40.00        | -             | -            | -             |
| 0% NCD redeemable in year 2019-20*       | 143.10       | 17.90         | -            | -             |
| 10.5 % NCD redeemable in year 2019-20    | 50.00        | 50.00         | -            | -             |
| 9.7 % NCD redeemable in year 2019-20     | 100.00       | -             | -            | -             |
| 9.25 % NCD redeemable in year 2019-20    | 50.00        | -             | -            | -             |
| 9.69 % NCD redeemable in year 2019-20    | 100.00       | -             | -            | -             |

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|                                         |          |        |        |       |
|-----------------------------------------|----------|--------|--------|-------|
| 9.7665 % NCD redeemable in year 2019-20 | 10.00    | -      | -      | -     |
| 9.78 % NCD redeemable in year 2019-20   | 7.50     | -      | -      | -     |
| 0 % NCD redeemable in year 2020-21*     | 16.00    | -      | -      | -     |
| 9.00 % NCD redeemable in year 2021-22   | 10.00    | -      | -      | -     |
| 9.20 % NCD redeemable in year 2021-22   | 70.00    | -      | -      | -     |
| 9.50 % NCD redeemable in year 2021-22   | 25.00    | -      | -      | -     |
| 9.70 % NCD redeemable in year 2021-22   | 30.00    | 30.00  | -      | -     |
|                                         |          |        |        |       |
|                                         | 1,054.60 | 860.90 | 360.00 | 75.00 |

\* Redeemable at premium

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

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**5 OTHER LONG-TERM LIABILITIES**

(In Rs Crore)

|                           | As at 31.03.2017 | As at 31.03.2016 |
|---------------------------|------------------|------------------|
| Employee benefits payable | 11.79            | 10.84            |
| Interest payable          | 11.99            | 1.79             |
|                           | <b>23.78</b>     | <b>12.63</b>     |

**6 LONG-TERM PROVISIONS**

(In Rs Crore)

|                                                    | As at 31.03.2017 | As at 31.03.2016 |
|----------------------------------------------------|------------------|------------------|
| For Standard assets (refer note 6.1)               | 19.89            | 12.29            |
| For employee benefits:<br>Gratuity (refer note 25) | 0.34             | 0.30             |
|                                                    | <b>20.23</b>     | <b>12.59</b>     |

6.1 To ensure that Non-Banking Financial Companies (NBFC) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a notification No. DNBS 222 / CGM (US)-2011 dated January 17, 2011 as amended on timely basis, requiring all NBFCs to make a general provision of 0.35 per cent (Previous year 0.30 per cent) of outstanding standard assets. The Company has created provision for standard assets, which is sufficient to comply with the aforesaid RBI Notification.

**7 SHORT-TERM BORROWINGS**

(In Rs Crore)

|                                                | As at 31.03.2017 | As at 31.03.2016 |
|------------------------------------------------|------------------|------------------|
| <b>Secured</b>                                 |                  |                  |
| Loans repayable on demand                      |                  |                  |
| From banks                                     |                  |                  |
| Working Capital demand Loan (refer note 7.1)   | -                | 10.00            |
| Cash credit facilities (refer note 7.2)        | 66.07            | 141.32           |
| <b>Unsecured</b>                               |                  |                  |
| Other loans and advances                       |                  |                  |
| Commercial paper (refer note 7.3 and note 7.4) | 810.00           | 550.00           |
| Less: Unamortised interest on commercial paper | (23.55)          | (28.27)          |
|                                                | <b>786.45</b>    | <b>521.73</b>    |
| Loans from holding company                     | -                | 145.00           |
|                                                | <b>786.45</b>    | <b>666.73</b>    |
|                                                | <b>852.52</b>    | <b>818.05</b>    |

7.1 Short term loan from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.

7.2 Cash credit facility from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.

7.3 The maximum amount of commercial paper outstanding at any time during the year was Rs.810.00 crore (Previous year Rs.860.00 crore).

7.4 Interest rate of commercial paper range from 7.35% to 8.25% p.a.

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## JM FINANCIAL CREDIT SOLUTIONS LIMITED

## 8 TRADE PAYABLES

There are no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly disclosures, if any, relating to amounts unpaid as at the year end and together with the interest paid / payable as required under the said Act are not applicable.

## 9 OTHER CURRENT LIABILITIES

(In Rs Crore)

|                                                         | As at 31.03.2017 | As at 31.03.2016 |
|---------------------------------------------------------|------------------|------------------|
| <b>Current maturities of long term borrowings:</b>      |                  |                  |
| -Term Loan from Bank and other parties (Refer note 4.1) | 358.14           | 118.93           |
| -Non-Convertible Debentures (Refer note 4.2 and 4.3)    | 360.00           | 75.00            |
|                                                         | <b>718.14</b>    | <b>193.93</b>    |
| Finance lease obligations (Refer note 9.1 and 27)       | 0.04             | 0.04             |
| Statutory dues                                          | 1.19             | 1.40             |
| Interest payable                                        | 81.49            | 59.59            |
| Employee benefits payable                               | 10.61            | 5.42             |
|                                                         | <b>811.47</b>    | <b>260.38</b>    |

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

## 10 SHORT-TERM PROVISIONS

(In Rs Crore)

|                           | As at 31.03.2017 | As at 31.03.2016 |
|---------------------------|------------------|------------------|
| Provision for tax (net)   | -                | 2.42             |
| For employee benefits:    |                  |                  |
| -Gratuity (Refer note 25) | 0.02             | 0.02             |
| -Compensated absences     | 0.31             | 0.28             |
|                           | <b>0.33</b>      | <b>2.72</b>      |

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**11 FIXED ASSETS FOR THE CURRENT YEAR**

(In Rs Crore)

| Description               | GROSS BLOCK         |                           | DEPRECIATION/AMORTISATION |                     |                           | NET BLOCK           |                     |
|---------------------------|---------------------|---------------------------|---------------------------|---------------------|---------------------------|---------------------|---------------------|
|                           | As at<br>31.03.2016 | Additions for the<br>year | As at<br>31.03.2017       | Up to<br>31.03.2016 | Additions for the<br>year | Up to<br>31.03.2017 | As at<br>31.03.2017 |
| <b>TANGIBLE ASSETS:</b>   |                     |                           |                           |                     |                           |                     |                     |
| Owned Assets:             |                     |                           |                           |                     |                           |                     |                     |
| Land                      | 0.05                | -                         | 0.05                      | -                   | -                         | -                   | 0.05                |
| Computers                 | 0.13                | 0.15                      | 0.28                      | 0.05                | 0.06                      | 0.11                | 0.17                |
| Furniture and fixtures    | 0.04                | 0.02                      | 0.06                      | #                   | 0.01                      | 0.01                | 0.05                |
| Office Equipment          | 0.01                | 0.01                      | 0.02                      | #                   | 0.01                      | 0.01                | 0.01                |
| Leasehold Improvements    | -                   | 0.15                      | 0.15                      | -                   | 0.02                      | 0.02                | 0.13                |
| Leased Assets:            |                     |                           |                           |                     |                           |                     |                     |
| Vehicles                  | 0.09                | 0.09                      | 0.18                      | 0.05                | 0.05                      | 0.10                | 0.08                |
| <b>Total</b>              | <b>0.32</b>         | <b>0.42</b>               | <b>0.74</b>               | <b>0.10</b>         | <b>0.15</b>               | <b>0.25</b>         | <b>0.49</b>         |
| <b>INTANGIBLE ASSETS:</b> |                     |                           |                           |                     |                           |                     |                     |
| Software (Purchased)      | 0.09                | 0.32                      | 0.41                      | #                   | 0.06                      | 0.06                | 0.35                |
| <b>Grand total</b>        | <b>0.41</b>         | <b>0.74</b>               | <b>1.15</b>               | <b>0.10</b>         | <b>0.21</b>               | <b>0.31</b>         | <b>0.84</b>         |

# Denotes amount below Rs.50,000/-

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**FIXED ASSETS FOR THE PREVIOUS YEAR**

(In Rs Crore)

| Description               | GROSS BLOCK         |                           | DEPRECIATION/AMORTISATION |                     | NET BLOCK<br>As at<br>31.03.2016 |
|---------------------------|---------------------|---------------------------|---------------------------|---------------------|----------------------------------|
|                           | As at<br>31.03.2015 | Additions for the<br>year | As at<br>31.03.2016       | Up to<br>31.03.2015 | Up to<br>31.03.2016              |
| <b>TANGIBLE ASSETS:</b>   |                     |                           |                           |                     |                                  |
| Owned Assets:             |                     |                           |                           |                     |                                  |
| Land                      | 0.05                | -                         | 0.05                      | -                   | 0.05                             |
| Computers                 | 0.06                | 0.07                      | 0.13                      | 0.01                | 0.08                             |
| Furniture and fixtures    | 0.01                | 0.03                      | 0.04                      | #                   | 0.04                             |
| Office Equipment          | -                   | 0.01                      | 0.01                      | -                   | 0.01                             |
| Leased Assets:            |                     |                           |                           |                     |                                  |
| Vehicles                  | 0.02                | 0.07                      | 0.09                      | 0.01                | 0.04                             |
| <b>Total</b>              | <b>0.14</b>         | <b>0.18</b>               | <b>0.32</b>               | <b>0.02</b>         | <b>0.22</b>                      |
| <b>INTANGIBLE ASSETS:</b> |                     |                           |                           |                     |                                  |
| Software (Purchased)      | -                   | 0.09                      | 0.09                      | -                   | 0.09                             |
| <b>Grand total</b>        | <b>0.14</b>         | <b>0.27</b>               | <b>0.41</b>               | <b>0.02</b>         | <b>0.31</b>                      |

# Denotes amount below Rs.50,000/-

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**12 DEFERRED TAX ASSETS (NET)**

(In Rs Crore)

|                                                                     | As at 31.03.2017 | As at 31.03.2016 |
|---------------------------------------------------------------------|------------------|------------------|
| Provision for standard assets                                       | 6.88             | 4.25             |
| Disallowances under section 43B of the Income Tax Act, 1961         | 5.46             | 3.13             |
| Share issue expense                                                 | 0.13             | 0.20             |
| Difference between books and tax written down value of fixed assets | (0.09)           | (0.03)           |
|                                                                     | <b>12.38</b>     | <b>7.55</b>      |

**13 LONG-TERM LOANS AND ADVANCES**

(In Rs Crore)

|                                                                | As at 31.03.2017 | As at 31.03.2016 |
|----------------------------------------------------------------|------------------|------------------|
| <b>(Unsecured unless otherwise stated and considered good)</b> |                  |                  |
| <b>Loan Funds:</b>                                             |                  |                  |
| Secured                                                        | 3,875.33         | 3,315.30         |
| Capital advances                                               | -                | 0.23             |
| Advance tax (net of provisions)                                | 1.28             | 0.48             |
| Security deposits                                              | 1.49             | 1.44             |
|                                                                | <b>3,878.10</b>  | <b>3,317.45</b>  |

**14 CASH AND CASH EQUIVALENTS**

(In Rs Crore)

|                                  | As at 31.03.2017 | As at 31.03.2016 |
|----------------------------------|------------------|------------------|
| <b>Cash and cash equivalents</b> |                  |                  |
| Cash in hand                     | #                | #                |
| Balances with banks              |                  |                  |
| - in current accounts            | 1.70             | 1.86             |
| - in deposit accounts            | -                | 100.00           |
|                                  | <b>1.70</b>      | <b>101.86</b>    |

# Denotes amount below Rs.50,000/-

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**



**15 SHORT-TERM LOANS AND ADVANCES**

(In Rs Crore)

|                                                               | As at 31.03.2017 | As at 31.03.2016 |
|---------------------------------------------------------------|------------------|------------------|
| <b>Unsecured, unless otherwise stated and considered good</b> |                  |                  |
| Loan funds (Secured)                                          | 1,760.62         | 674.17           |
| Loan funds (Unsecured)                                        | 22.20            | 85.00            |
| Income accrued and due                                        | 14.76            | 17.17            |
| Income accrued but not due                                    | -                | 2.52             |
| Prepaid expenses                                              | 0.22             | 0.03             |
| Other advances                                                | 0.31             | 0.67             |
|                                                               | <b>1,798.11</b>  | <b>779.56</b>    |

**16 OTHER CURRENT ASSETS**

(In Rs Crore)

|                                         | As at 31.03.2017 | As at 31.03.2016 |
|-----------------------------------------|------------------|------------------|
| Accrued interest on deposits with banks | -                | 0.04             |
|                                         | <b>-</b>         | <b>0.04</b>      |

**17 REVENUE FROM OPERATIONS**

(In Rs Crore)

|                                       | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|---------------------------------------|-------------------------------|-------------------------------|
| <b>Income from funding activities</b> |                               |                               |
| Interest on loans                     | 707.74                        | 468.36                        |
| Processing and prepayment fees        | 79.11                         | 50.40                         |
|                                       | <b>786.85</b>                 | <b>518.76</b>                 |

**18 OTHER INCOME**

(In Rs Crore)

|                                            | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|--------------------------------------------|-------------------------------|-------------------------------|
| <b>Interest Income</b>                     |                               |                               |
| Bank deposits                              | 0.11                          | 0.11                          |
| Interest on income tax refund              | -                             | 0.06                          |
|                                            | <b>0.11</b>                   | <b>0.17</b>                   |
| <b>Profit on Sale of Investments (Net)</b> |                               |                               |
| Current investments                        | 1.25                          | 0.06                          |
| <b>Dividend on investments</b>             |                               |                               |
| Current investments                        | 0.15                          | 0.46                          |
| Miscellaneous Income                       | #                             | #                             |
|                                            | <b>1.51</b>                   | <b>0.69</b>                   |

# Denotes amount below Rs.50,000/-

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**19 EMPLOYEE BENEFITS EXPENSE**

(In Rs Crore)

|                                                | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|------------------------------------------------|-------------------------------|-------------------------------|
| Salaries, bonus, other allowances and benefits | 21.70                         | 18.11                         |
| Contribution to provident and other funds      | 0.32                          | 0.30                          |
| Gratuity (refer note 25)                       | 0.09                          | 0.05                          |
| Staff welfare expenses                         | 0.04                          | 0.19                          |
|                                                | <b>22.15</b>                  | <b>18.65</b>                  |

**20 FINANCE COSTS**

(In Rs Crore)

|                              | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|------------------------------|-------------------------------|-------------------------------|
| <b>Interest expense:</b>     |                               |                               |
| - on loans                   | 304.40                        | 166.37                        |
| - on bank overdraft          | 5.82                          | 6.56                          |
| - on others                  | 0.01                          | 0.01                          |
| <b>Other borrowing costs</b> | 2.03                          | 1.74                          |
|                              | <b>312.26</b>                 | <b>174.68</b>                 |

**21 PROVISION FOR LOANS**

(In Rs Crore)

|                              | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|------------------------------|-------------------------------|-------------------------------|
| Provision on standard assets | 7.60                          | 7.67                          |
|                              | <b>7.60</b>                   | <b>7.67</b>                   |

**22 OPERATING AND OTHER EXPENSES**

(In Rs Crore)

|                                       | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|---------------------------------------|-------------------------------|-------------------------------|
| Rates and taxes                       | 1.18                          | 1.13                          |
| Legal and professional fees           | 3.72                          | 2.11                          |
| Support service charges               | 10.45                         | 8.99                          |
| Space and related charges             | 1.42                          | 1.51                          |
| Information technology expenses       | 0.14                          | -                             |
| Travelling and conveyance             | 0.33                          | 0.47                          |
| Filing fees                           | 0.01                          | -                             |
| Auditors remuneration (refer note 24) | 0.13                          | 0.12                          |
| Repairs and maintenance               | 0.07                          | 0.23                          |
| Electricity expenses                  | 0.14                          | 0.15                          |
| Donations (refer note 43)             | 3.05                          | 1.48                          |
| Insurance expense                     | 0.09                          | 0.09                          |
| Bank charges                          | 0.16                          | 0.07                          |
| Printing and stationery               | 0.02                          | 0.04                          |
| Membership and subscription           | 0.17                          | 0.09                          |
| Communication expenses                | 0.06                          | 0.06                          |
| Director sitting fees                 | 0.08                          | #                             |
| Miscellaneous expenses                | 0.14                          | 0.10                          |
|                                       | <b>21.36</b>                  | <b>16.64</b>                  |

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**23 Contingent Liabilities and commitments:**

(In Rs Crore)

**Capital Commitments:**

|                                                                                                | As at 31.03.2017 | As at 31.03.2016 |
|------------------------------------------------------------------------------------------------|------------------|------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for |                  | 0.05             |
| Undisbursed Commitment *                                                                       | 62.26            | 224.88           |
|                                                                                                | <b>62.26</b>     | <b>224.93</b>    |

\*This disclosure is given pursuant to the notification no. DNBS.CC.PD.No.252/03.10.01/2011-12 dated 26th Dec, 2011 issued by Reserve Bank of India.

**24 Payment to Auditors: (Excluding service tax)**

(In Rs Crore)

|                                                             | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|-------------------------------------------------------------|-------------------------------|-------------------------------|
| Audit Fees                                                  | 0.08                          | 0.09                          |
| In any other manner (Certifications, limited reviews, etc.) | 0.05                          | 0.03                          |
| Out of pocket                                               | #                             | -                             |
|                                                             | <b>0.13</b>                   | <b>0.12</b>                   |

# Denotes amount below Rs.50,000/-

**25 Employee Benefits:**

**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. 0.32 crore (Previous year Rs. 0.30 crore).

**Defined Benefit Plan: [Gratuity (Unfunded)]**

|                                                                       | As at 31.03.2017     | As at 31.03.2016     |
|-----------------------------------------------------------------------|----------------------|----------------------|
| <b>I. Reconciliation of liability recognised in the Balance Sheet</b> | <b>(In Rs Crore)</b> | <b>(In Rs Crore)</b> |
| Fair value of plan assets as at the end of the year                   | -                    | -                    |
| Present value of obligation as at the end of the year                 | 0.36                 | 0.32                 |
| Net liability in the Balance Sheet                                    | 0.36                 | 0.32                 |

| <b>II. Movement in net liability recognised in the Balance Sheet</b> | <b>(In Rs Crore)</b> | <b>(In Rs Crore)</b> |
|----------------------------------------------------------------------|----------------------|----------------------|
| Net liability as at the beginning of the year                        | 0.32                 | 0.24                 |
| Net expense recognised in the Statement of Profit and Loss           | 0.09                 | 0.05                 |
| Liabilities assumed on acquisition / (settled on divestiture)        | (0.04)               | 0.03                 |
| Payments during the year                                             | (0.01)               | -                    |
| Net liability as at the end of the year                              | 0.36                 | 0.32                 |

| <b>III. Expense recognised in the Statement of Profit and Loss (Under the head employee benefit expenses)</b> | <b>(In Rs Crore)</b> | <b>(In Rs Crore)</b> |
|---------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Current service cost                                                                                          | 0.04                 | 0.03                 |
| Interest cost                                                                                                 | 0.03                 | 0.02                 |
| Past service cost                                                                                             | -                    | -                    |
| Actuarial losses                                                                                              | 0.02                 | -                    |
| Expense charged to Statement of Profit and Loss                                                               | 0.09                 | 0.05                 |

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| <b>IV. Reconciliation of defined benefit commitments</b>      | <b>As at 31.03.2017<br/>(In Rs Crore)</b> | <b>As at 31.03.2016<br/>(In Rs Crore)</b> |
|---------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Commitments at the beginning of the year                      | 0.32                                      | 0.24                                      |
| Current service cost                                          | 0.04                                      | 0.03                                      |
| Interest cost                                                 | 0.03                                      | 0.02                                      |
| Past service cost                                             | -                                         | -                                         |
| Actuarial losses                                              | 0.02                                      | #                                         |
| Liabilities assumed on acquisition / (settled on divestiture) | (0.04)                                    | 0.03                                      |
| Benefits Paid                                                 | (0.01)                                    | -                                         |
| Commitments at the year end                                   | 0.36                                      | 0.32                                      |

# Denotes amount below Rs.50,000/-

| <b>V. Experience Adjustments</b>    | <b>31-Mar-13<br/>(In Rs Crore)</b> | <b>31-Mar-14<br/>(In Rs Crore)</b> | <b>31-Mar-15<br/>(In Rs Crore)</b> | <b>31-Mar-16<br/>(In Rs Crore)</b> | <b>31-Mar-17<br/>(In Rs Crore)</b> |
|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Defined benefit obligation          | -                                  | -                                  | 0.24                               | 0.32                               | 0.36                               |
| Surplus / (Deficit)                 | -                                  | -                                  | (0.24)                             | -                                  | (0.36)                             |
| Experience adj. on plan Liabilities | -                                  | -                                  | -                                  | #                                  | #                                  |

# Denotes amount below Rs.50,000/-

| <b>VI. Actuarial Assumptions</b>         | <b>As at 31.03.2017</b>                 | <b>As at 31.03.2016</b>                 |
|------------------------------------------|-----------------------------------------|-----------------------------------------|
| Mortality table                          | Indian Assured Lives (2006-08) Ultimate | Indian Assured Lives (2006-08) Ultimate |
| Discount rate (per annum)                | 7.20%                                   | 7.95%                                   |
| 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

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

**(A) Holding Company**  
JM Financial Limited

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## JM FINANCIAL CREDIT SOLUTIONS LIMITED

**(B) Fellow Subsidiaries**

JM Financial Institutional Securities Limited  
 JM Financial Services Limited  
 JM Financial Products Limited  
 JM Financial Properties and Holdings Limited

**(C) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual:**

Mr. Nimesh Kampani (up to September 30, 2016)  
 Mr. Vishal Kampani  
 Ms. Amishi Kampani

**(D) Key management personnel:**

Mr. Shashwat Belapurkar (CEO)  
 Ms. Tara Subramaniam (COO)  
 Mr. Gagan Kothari (CFO)  
 Mr. Hemant Pandya (CS)

**(iii) Details of transactions with related parties**

| Name of the related party                               | Nature of relationship | As at 31.03.2017<br>(In Rs Crore) | As at 31.03.2016<br>(In Rs Crore) |
|---------------------------------------------------------|------------------------|-----------------------------------|-----------------------------------|
| <b>JM Financial Limited</b>                             | (A)                    |                                   |                                   |
| Loan taken                                              |                        | -                                 | 145.00                            |
| Loan repaid                                             |                        | 145.00                            | -                                 |
| Interest paid                                           |                        | 3.07                              | 2.87                              |
| Support service charges                                 |                        | 1.80                              | 1.80                              |
| Reimbursement of employees expenses                     |                        | 0.40                              | 0.61                              |
| Closing balance as at the year end - (credit)           |                        | -                                 | 145.00                            |
| <b>JM Financial Properties and Holdings Limited</b>     | (B)                    |                                   |                                   |
| Space and related charges                               |                        | 1.25                              | 1.25                              |
| Reimbursement of expenses (paid)                        |                        | 0.40                              | 0.27                              |
| Closing balance as at the year end - rent deposit given |                        | 1.43                              | 1.43                              |
| <b>JM Financial Services Limited</b>                    | (B)                    |                                   |                                   |
| Demat charges                                           |                        | #                                 | #                                 |
| Closing balance payable as at the year end              |                        | #                                 | -                                 |
| <b>JM Financial Institutional Securities Limited</b>    | (B)                    |                                   |                                   |
| Transfer of gratuity                                    |                        | -                                 | 0.03                              |
| Transfer of car loan                                    |                        | -                                 | 0.08                              |
| Transfer of fixed assets (vehicles)                     |                        | -                                 | 0.07                              |
| Reimbursement of expenses (paid)                        |                        | 0.01                              | 0.01                              |
| Closing balance payable as at the year end              |                        | -                                 | -                                 |

# Denotes amount below Rs.50,000/-

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

| Name of the related party                           | Nature of relationship | As at<br>31.03.2017<br>(In Rs Crore) | As at<br>31.03.2016<br>(In Rs Crore) |
|-----------------------------------------------------|------------------------|--------------------------------------|--------------------------------------|
| <b>JM Financial Products Limited</b>                | (B)                    |                                      |                                      |
| Inter corporate deposits given                      |                        | 75.00                                | -                                    |
| Inter corporate deposits received back              |                        | 75.00                                | -                                    |
| Inter corporate deposits taken                      |                        | 130.00                               | 250.50                               |
| Inter corporate deposits repaid                     |                        | 130.00                               | 250.50                               |
| Interest expenses on inter corporate deposits taken |                        | 0.08                                 | 1.11                                 |
| Interest income on inter corporate deposits given   |                        | 0.02                                 | -                                    |
| Support service charges                             |                        | 7.94                                 | 6.60                                 |
| Transfer of gratuity (paid)                         |                        | 0.04                                 | -                                    |
| Reimbursement of expenses (paid)                    |                        | -                                    | #                                    |
| Closing balance payable as at the year end          |                        | 0.99                                 | 6.90                                 |
| <b>Amishi Kampani</b>                               | (C)                    |                                      |                                      |
| Remuneration                                        |                        | 0.32                                 | 0.67                                 |
| Contribution to provident fund                      |                        | 0.00                                 | 0.01                                 |
| Closing balance payable as at the year end          |                        | 0.62                                 | 0.61                                 |
| <b>Key management personnel</b>                     | (D)                    |                                      |                                      |
| Remuneration                                        |                        | 11.04                                | 9.67                                 |
| Contribution to provident fund                      |                        | 0.12                                 | 0.11                                 |
| Closing balance payable as at the year end          |                        | 12.18                                | 10.08                                |

# Denotes amount below Rs.50,000/-

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

26.2 The transactions disclosed above are exclusive of service tax.

## 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:

|                                                      | Total minimum<br>lease payments<br>outstanding as at<br>the year end | Interest<br>expenses | Present value of<br>the minimum<br>lease payments |
|------------------------------------------------------|----------------------------------------------------------------------|----------------------|---------------------------------------------------|
|                                                      | (In Rs Crore)                                                        | (In Rs Crore)        | (In Rs Crore)                                     |
| Not later than one year                              | 0.05<br>(0.04)                                                       | 0.01<br>(#)          | 0.04<br>(0.04)                                    |
| Later than one year and not later than five<br>years | 0.06<br>(0.01)                                                       | 0.01<br>(#)          | 0.05<br>(0.01)                                    |
| Later than five years                                | -<br>(-)                                                             | -<br>(-)             | -<br>(-)                                          |
| <b>Total</b>                                         | <b>0.11<br/>(0.05)</b>                                               | <b>0.02<br/>(#)</b>  | <b>0.09<br/>(0.04)</b>                            |

Figures in brackets are for previous year.

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**



**Operating leases**

The Company has taken certain premises on non-cancellable operating lease basis. The tenure of such agreements ranges from 36 months to 48 months.

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

| Due                                               | Total minimum lease payments outstanding as at 31st March, 2017<br>(In Rs Crore) | Total minimum lease payments outstanding as at 31st March, 2016<br>(In Rs Crore) |
|---------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Not later than one year                           | 1.32                                                                             | 1.32                                                                             |
| Later than one year and not later than five years | 5.06                                                                             | 3.88                                                                             |
| Later than five years                             | -                                                                                | -                                                                                |
| <b>Total</b>                                      | <b>6.38</b>                                                                      | <b>5.20</b>                                                                      |

Lease payments recognised in the Statement of Profit and Loss for the current year are Rs. 1.42 crore (Previous year Rs. 1.51 crore).

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                                                                                                            | As at 31.03.2017 | As at 31.03.2016 |
|------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Profit for the year (In Rs Crore)                                                                                      | 277.25           | 197.54           |
| Profit attributable to equity shareholders (In Rs Crore)                                                               | 277.25           | 197.54           |
| Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)   | 14,19,812        | 12,50,004        |
| Basic earnings per share (Rupees)                                                                                      | 1,952.70         | 1,580.33         |
| Dilutive potential equity shares (Nos.)                                                                                | 34,204           | 12,49,496        |
| Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.) | 14,54,016        | 24,99,500        |
| Diluted earnings per share (Rupees)                                                                                    | 1,906.77         | 790.32           |
| Nominal value per share (Rupees)                                                                                       | 10.00            | 10.00            |

29 Information pursuant to RBI Guidelines on Securitisation of standard assets dated February 1, 2006

| Sr No | Particulars                                                                                                                       | As at 31.03.2017 | As at 31.03.2016 |
|-------|-----------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| (i)   | Total Number of transactions wherein Loan assets securitized                                                                      | -                | -                |
| (ii)  | Total book value of loan assets securitised – Rupees                                                                              | -                | -                |
| (iii) | Total sales consideration received for the securitised assets – Rupees                                                            | -                | -                |
| (iv)  | Gain on sale on account of securitisation – Rupees                                                                                | -                | -                |
| (v)   | Gain recognized in the Statement of Profit and Loss – Rupees                                                                      | -                | -                |
| (vi)  | Outstanding value of any services provided by way of credit enhancement, liquid support, post-securitisation asset servicing etc. | -                | -                |
|       |                                                                                                                                   | -                | -                |

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30 Information pursuant to RBI Guidelines on Capital adequacy, liquidity and disclosure norms dated August 1, 2008 :-

(i) **Capital risk adequacy ratio (CRAR):**

| Particulars                                           | As at<br>31.03.2017 | As at<br>31.03.2016 |
|-------------------------------------------------------|---------------------|---------------------|
| <b>CRAR</b>                                           |                     |                     |
| CRAR - Tier I capital                                 | 24.54%              | 26.81%              |
| CRAR - Tier II capital                                | 0.35%               | 0.29%               |
| Amount of subordinated debt raised as Tier-II capital | Nil                 | Nil                 |
| Amount raised by issue of Perpetual Debt Instruments  | Nil                 | Nil                 |

(ii) **Exposures:**

**A. Exposure to Real Estate Sector**

|       | Category                                                                                                                                                                                                                                                                                                                                                                                    | As at<br>31.03.2017<br>(In Rs Crore) | As at<br>31.03.2016<br>(In Rs Crore) |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| a)    | <b>Direct Exposure</b>                                                                                                                                                                                                                                                                                                                                                                      |                                      |                                      |
| (i)   | <b>Residential Mortgages-</b><br>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)  | <b>Commercial Real Estate-</b><br>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; | 5,595.15                             | 3,961.47                             |
| (iii) | <b>Investments in Mortgage Backed Securities (MBS) and other securitised exposures-</b><br>a) Residential,<br>b) Commercial Real Estate.                                                                                                                                                                                                                                                    |                                      |                                      |

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**B. Exposures to Capital Market**

|        | Category                                                                                                                                                                                                                                                                                                                                                       | As at<br>31.03.2017 | As at<br>31.03.2016 |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
|        |                                                                                                                                                                                                                                                                                                                                                                | (In Rs Crore)       | (In Rs Crore)       |
| a)     | <b>Direct Exposure</b>                                                                                                                                                                                                                                                                                                                                         |                     |                     |
| (i)    | Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;                                                                                                                                                                     | -                   | -                   |
| (ii)   | Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;                                                                                                                     | -                   | -                   |
| (iii)  | Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;                                                                                                                                                                                            | 63.00               | 113.00              |
| (iv)   | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances'; | -                   | -                   |
| (v)    | Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;                                                                                                                                                                                                                                              | -                   | -                   |
| (vi)   | Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;                                                                                                                              | -                   | -                   |
| (vii)  | Bridge loans to companies against expected equity flows / issues;                                                                                                                                                                                                                                                                                              | -                   | -                   |
| (viii) | All exposures to Venture Capital Funds (both registered and unregistered)                                                                                                                                                                                                                                                                                      | -                   | -                   |
|        | <b>Total exposure to Capital Market</b>                                                                                                                                                                                                                                                                                                                        | <b>63.00</b>        | <b>113.00</b>       |

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**iii. Asset Liability Management:**

| Maturity pattern of certain items of assets and liabilities: |                                 |                            |                           |                           |                         |                        |                         |               |                        | (In Rs Crore) |
|--------------------------------------------------------------|---------------------------------|----------------------------|---------------------------|---------------------------|-------------------------|------------------------|-------------------------|---------------|------------------------|---------------|
| Particulars                                                  | 1 day to 30/31 days (one month) | Over one month to 2 months | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years  | Total                  |               |
| Liabilities                                                  |                                 |                            |                           |                           |                         |                        |                         |               |                        |               |
| Borrowing from Banks                                         | 11.12<br>(-)                    | 13.90<br>(-)               | 66.42<br>(13.33)          | 94.16<br>(28.33)          | 544.99<br>(228.59)      | 1,235.42<br>(795.26)   | 399.50<br>(275.81)      | -<br>(-)      | 2,365.51<br>(1,341.32) |               |
| Market Borrowings                                            | #<br>(#)                        | 372.42<br>(73.93)          | 292.65<br>(194.03)        | 175.02<br>(145.34)        | 0.02<br>(328.46)        | 853.65<br>(788.01)     | 79.00<br>(67.90)        | -<br>(30.00)  | 1,772.76<br>(1,627.67) |               |
| Assets                                                       |                                 |                            |                           |                           |                         |                        |                         |               |                        |               |
| Advances                                                     | 154.61<br>(66.62)               | 228.72<br>(11.01)          | 147.87<br>(80.96)         | 298.49<br>(62.68)         | 968.42<br>(558.29)      | 3,230.07<br>(3,097.74) | 648.02<br>(79.70)       | -<br>(140.01) | 5,676.21<br>(4,097.01) |               |

# Denotes amount below Rs.50,000/-

Notes:

- Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.
- Figures in brackets are for previous year.

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**31** 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):-

| <b>(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b> |                                                                           |                                             |                                         |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------|
| <b>Particulars</b>                                                                                                             |                                                                           |                                             |                                         |
| <b>Liabilities side</b>                                                                                                        |                                                                           | <b>Amount outstanding<br/>(In Rs Crore)</b> | <b>Amount overdue<br/>(In Rs Crore)</b> |
| (a)                                                                                                                            | Debentures                                                                |                                             |                                         |
|                                                                                                                                | (i) Secured                                                               | 1,500.18                                    | -                                       |
|                                                                                                                                |                                                                           | (992.67)                                    | (-)                                     |
|                                                                                                                                | (ii) Unsecured (other than falling within the meaning of public deposits) | -                                           | -                                       |
|                                                                                                                                |                                                                           | (-)                                         | (-)                                     |
| (b)                                                                                                                            | Deferred Credits                                                          | -                                           | -                                       |
|                                                                                                                                |                                                                           | (-)                                         | (-)                                     |
| (c)                                                                                                                            | Term Loans                                                                | 1,878.86                                    | -                                       |
|                                                                                                                                |                                                                           | (1,219.19)                                  | (-)                                     |
| (d)                                                                                                                            | Inter-corporate loans and borrowing                                       | -                                           | -                                       |
|                                                                                                                                |                                                                           | (145.00)                                    | -                                       |
| (e)                                                                                                                            | Commercial Paper                                                          | 786.45                                      | -                                       |
|                                                                                                                                |                                                                           | (521.73)                                    | (-)                                     |
| (f)                                                                                                                            | Other Loans (Please Specify)                                              |                                             |                                         |
|                                                                                                                                | Working Capital Loan                                                      | -                                           | -                                       |
|                                                                                                                                |                                                                           | (10.05)                                     | (-)                                     |
|                                                                                                                                | Cash Credits                                                              | 66.17                                       | -                                       |
|                                                                                                                                |                                                                           | (141.69)                                    | (-)                                     |
|                                                                                                                                | Due under finance lease                                                   | 0.09                                        | -                                       |
|                                                                                                                                |                                                                           | (0.04)                                      | (-)                                     |

| <b>(2) Break up of Loans and Advances including bills receivables (other than those included in (4) below):</b> |           |                                             |
|-----------------------------------------------------------------------------------------------------------------|-----------|---------------------------------------------|
| <b>Particulars</b>                                                                                              |           |                                             |
| <b>Assets side</b>                                                                                              |           | <b>Amount outstanding<br/>(In Rs Crore)</b> |
| (a)                                                                                                             | Secured   | 5,635.95                                    |
|                                                                                                                 |           | (3,989.47)                                  |
| (b)                                                                                                             | Unsecured | 22.20                                       |
|                                                                                                                 |           | (85.00)                                     |

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| (3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities: |                                                            |                                  |
|---------------------------------------------------------------------------------------------------|------------------------------------------------------------|----------------------------------|
|                                                                                                   | Particulars                                                |                                  |
|                                                                                                   | Assets side                                                | Amount outstanding (In Rs Crore) |
| (i)                                                                                               | Lease assets including lease rentals under sundry debtors: |                                  |
|                                                                                                   | (a) Financial Lease                                        | -                                |
|                                                                                                   |                                                            | (-)                              |
|                                                                                                   | (b) Operating Lease                                        | -                                |
|                                                                                                   |                                                            | (-)                              |
| (ii)                                                                                              | Stock on hire including hire charges under sundry debtors: |                                  |
|                                                                                                   | (a) Assets on hire                                         | -                                |
|                                                                                                   |                                                            | (-)                              |
| (iii)                                                                                             | Other loans counting towards AFC activities:               |                                  |
|                                                                                                   | (a) Loans where assets have been repossessed               | -                                |
|                                                                                                   |                                                            | (-)                              |
|                                                                                                   | (b) Loans other than (a) above                             | -                                |
|                                                                                                   |                                                            | (-)                              |

| (4) Break – up of Investments: |                             |                                  |
|--------------------------------|-----------------------------|----------------------------------|
|                                | Particulars                 |                                  |
|                                |                             | Amount outstanding (In Rs Crore) |
|                                | Current Investments:        |                                  |
|                                | 1. Quoted:                  |                                  |
|                                | (i) Shares:                 |                                  |
|                                | (a) Equity                  | -                                |
|                                | (b) Preference              | -                                |
|                                | (ii) Debentures and Bonds   | -                                |
|                                |                             | (-)                              |
|                                | (iii) Units of Mutual Funds | -                                |
|                                |                             | (-)                              |
|                                | (iv) Government Securities  | -                                |
|                                |                             | (-)                              |
|                                | (v) Others (Please Specify) | -                                |
|                                | 2. Unquoted:                |                                  |
|                                | (i) Shares:                 |                                  |
|                                | (a) Equity                  | -                                |
|                                | (b) Preference              | -                                |
|                                |                             | (-)                              |
|                                | (ii) Debentures and Bonds   | -                                |
|                                |                             | (-)                              |
|                                | (iii) Units of Mutual Funds | -                                |
|                                |                             | (-)                              |
|                                | (iv) Government Securities  | -                                |
|                                |                             | (-)                              |
|                                | (v) Others (Please Specify) | -                                |
|                                |                             | (-)                              |

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| (5) Borrower group – wise classification of assets financed as in (2) and (3) above: |                                           |                            |                            |                        |
|--------------------------------------------------------------------------------------|-------------------------------------------|----------------------------|----------------------------|------------------------|
| Category                                                                             |                                           | Amount (net of provisions) |                            |                        |
|                                                                                      |                                           | Secured<br>(In Rs Crore)   | Unsecured<br>(In Rs Crore) | Total<br>(In Rs Crore) |
| 1)                                                                                   | Related Parties                           |                            |                            |                        |
|                                                                                      | (a) Subsidiaries                          | -                          | -                          | -                      |
|                                                                                      |                                           | (-)                        | (-)                        | (-)                    |
|                                                                                      | (b) Companies in the same group           | -                          | -                          | -                      |
|                                                                                      |                                           | (-)                        | (-)                        | (-)                    |
|                                                                                      | (c) Other related parties                 | -                          | -                          | -                      |
|                                                                                      |                                           | (-)                        | (-)                        | (-)                    |
| 2)                                                                                   | Other than related parties                | 5,635.95                   | 22.20                      | 5,658.15               |
|                                                                                      |                                           | (3,989.47)                 | (85.00)                    | (4,074.47)             |
|                                                                                      |                                           | 5,635.95                   | 22.20                      | 5,658.15               |
|                                                                                      |                                           | (3,989.47)                 | (85.00)                    | (4,074.47)             |
|                                                                                      | Less: Provision for non-performing assets | -                          | -                          | -                      |
|                                                                                      |                                           | (-)                        | (-)                        | (-)                    |
|                                                                                      |                                           | 5,635.95                   | 22.20                      | 5,658.15               |
|                                                                                      |                                           | (3,989.47)                 | (85.00)                    | (4,074.47)             |

| (6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): |                                 |                                                                   |                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------------------------------|-------------------------------------------------------|
| Category                                                                                                                               |                                 | Market Value/<br>Breakup or fair<br>value or NAV<br>(In Rs Crore) | Book Value<br>(Net of<br>Provisions)<br>(In Rs Crore) |
| 1)                                                                                                                                     | Related Parties                 |                                                                   |                                                       |
|                                                                                                                                        | (a) Subsidiaries                | -                                                                 | -                                                     |
|                                                                                                                                        |                                 | (-)                                                               | (-)                                                   |
|                                                                                                                                        | (b) Companies in the same group | -                                                                 | -                                                     |
|                                                                                                                                        |                                 | (-)                                                               | (-)                                                   |
|                                                                                                                                        | (c) Other related parties       | -                                                                 | -                                                     |
|                                                                                                                                        |                                 | (-)                                                               | (-)                                                   |
| 2)                                                                                                                                     | Other than related parties      | -                                                                 | -                                                     |
|                                                                                                                                        |                                 | (-)                                                               | (-)                                                   |
|                                                                                                                                        |                                 | -                                                                 | -                                                     |
|                                                                                                                                        |                                 | (-)                                                               | (-)                                                   |

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| <b>(7) Other Information:</b> |                                         |                               |
|-------------------------------|-----------------------------------------|-------------------------------|
|                               | <b>Particulars</b>                      | <b>Amount<br/>(In Rupees)</b> |
| (i)                           | Gross Non – Performing Assets           |                               |
|                               | (a) Related Parties                     | -                             |
|                               |                                         | (-)                           |
|                               | (b) Other than related parties          | -                             |
|                               |                                         | (-)                           |
| (ii)                          | Net Non – Performing Assets             |                               |
|                               | (a) Related Parties                     | -                             |
|                               |                                         | (-)                           |
|                               | (b) Other than related parties          | -                             |
|                               |                                         | (-)                           |
| (iii)                         | Assets acquired in satisfaction of debt | -                             |
|                               |                                         | (-)                           |

(Figures in brackets indicates previous year figures)

**32** There are no restructured advance as on March 31, 2016, 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.

**33 Investments**

|       | <b>Particulars</b>                                                 | <b>As at<br/>31.03.2017<br/>(In Rs Crore)</b> | <b>As at<br/>31.03.2016<br/>(In Rs Crore)</b> |
|-------|--------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| (a)   | <b>Value of Investments</b>                                        |                                               |                                               |
| (i)   | Gross Value of Investments                                         |                                               |                                               |
|       | (a) in India                                                       | -                                             | -                                             |
|       | (b) Outside India                                                  | -                                             | -                                             |
| (ii)  | Provision for depreciation                                         |                                               |                                               |
|       | (a) in India                                                       | -                                             | -                                             |
|       | (b) Outside India                                                  | -                                             | -                                             |
| (iii) | Net Value of Investments                                           |                                               |                                               |
|       | (a) in India                                                       | -                                             | -                                             |
|       | (b) Outside India                                                  | -                                             | -                                             |
| (b)   | Movement of provisions held towards depreciation on investments    |                                               |                                               |
| (i)   | Opening balances                                                   | -                                             | -                                             |
| (ii)  | Add : Provisions made during the year                              | -                                             | -                                             |
| (iii) | Less : Write-off / write-back of excess provisions during the year | -                                             | -                                             |
| (iv)  | Closing balance                                                    | -                                             | -                                             |

**34. 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

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

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

| Particulars | As at<br>31.03.2017<br>(In Rs Crore) | As at<br>31.03.2016<br>(In Rs Crore) |
|-------------|--------------------------------------|--------------------------------------|
|             | Nil                                  | Nil                                  |

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

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

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

(V) Premium utilised for share issue expenses

| Particulars                               | As at<br>31.03.2017<br>(In Rs Crore) | As at<br>31.03.2016<br>(In Rs Crore) |
|-------------------------------------------|--------------------------------------|--------------------------------------|
| Premium utilised for share issue expenses | Nil                                  | Nil                                  |

**35 Ratings assigned by credit rating agencies and migration of ratings during the year:**

|       |                            | As at<br>31.03.2017 | As at<br>31.03.2016 |
|-------|----------------------------|---------------------|---------------------|
|       | <b>ICRA Limited</b>        |                     |                     |
| (i)   | Commercial Paper programme | [ICRA]A1+           | [ICRA]A1+           |
| (ii)  | Bank loan facility         | [ICRA]AA/Stable     | [ICRA]AA            |
| (iii) | Non-Convertible Debentures | [ICRA]AA/Stable     | [ICRA]AA            |
|       | <b>CRISIL Limited</b>      |                     |                     |
| (i)   | Commercial Paper programme | CRISIL A1+          | CRISIL A1+          |
| (ii)  | Bank loan facility         | CRISIL<br>AA/stable | CRISIL<br>AA/stable |
| (iii) | Non-Convertible Debentures | CRISIL<br>AA/stable | CRISIL<br>AA/stable |
|       | <b>India Rating</b>        |                     |                     |
| (i)   | Commercial Paper programme | IND A1+             | IND A1+             |
| (ii)  | Bank loan facility         | IND AA/Stable       | IND AA/Stable       |
| (iii) | Non-Convertible Debentures | IND AA/Stable       | IND AA/Stable       |

**36 Provisions and Contingencies**

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

|                                                                        | For the year<br>31.03.2017<br>(In Rs Crore) | For the year<br>31.03.2016<br>(In Rs Crore) |
|------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| Provisions for depreciation on Investment                              | -                                           | -                                           |
| Provision towards NPA                                                  | -                                           | -                                           |
| Provision made towards Income tax (including excess provision for tax) | 152.36                                      | 108.17                                      |
| Other Provision and Contingencies (with details)                       | -                                           | -                                           |
| Provision for Standard Assets                                          | 7.60                                        | 7.67                                        |

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**37 Concentration of Deposits, Advances and Exposures and NPAs:**
**Concentration of Deposits (for deposit taking NBFCs)**

|                                                                                   | As at<br>31.03.2017 | As at<br>31.03.2016 |
|-----------------------------------------------------------------------------------|---------------------|---------------------|
| Total Deposits of twenty largest depositors                                       | NA                  | NA                  |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC | NA                  | NA                  |

**Concentration of Advances**

|                                                                                               | As at<br>31.03.2017 | As at<br>31.03.2016 |
|-----------------------------------------------------------------------------------------------|---------------------|---------------------|
| Total Advances to twenty largest borrowers (group wise) – (In Rs Crore)                       | 3,734.35            | 2,314.68            |
| Percentage of Advances to twenty largest borrowers (group wise) to total Advances of the NBFC | 66.00%              | 56.81%              |

**Concentration of Exposures**

|                                                                                                                        | As at<br>31.03.2017 | As at<br>31.03.2016 |
|------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Total Exposure to twenty largest borrowers / customers – (In Rs Crore)                                                 | 2,668.02            | 2,324.73            |
| Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers | 47.03%              | 56.82%              |

**Concentration of NPAs**

|                                         | As at<br>31.03.2017 | As at<br>31.03.2016 |
|-----------------------------------------|---------------------|---------------------|
| Total exposure to top four NPA accounts | Nil                 | Nil                 |

**Sector-wise NPAs**

|                                 | As at<br>31.03.2017 | As at<br>31.03.2016 |
|---------------------------------|---------------------|---------------------|
| Agriculture & allied activities | Nil                 | Nil                 |
| MSME                            | Nil                 | Nil                 |
| Corporate borrowers             | Nil                 | Nil                 |
| Services                        | Nil                 | Nil                 |
| Unsecured personal loans        | Nil                 | Nil                 |
| Auto loans                      | Nil                 | Nil                 |
| Other personal loans            | Nil                 | Nil                 |
| Other loans                     | Nil                 | Nil                 |

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**38 Movement of NPAs:**

|                                                                                  | As at<br>31.03.2017 | As at<br>31.03.2016 |
|----------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Net NPAs to Net Advances (%)</b>                                              |                     |                     |
| <b>Movement of NPAs (Gross)</b>                                                  |                     |                     |
| (a) Opening balance                                                              | -                   | -                   |
| (b) Additions during the year                                                    | -                   | -                   |
| (c) Reductions during the year                                                   | -                   | -                   |
| (d) Closing balance                                                              | -                   | -                   |
| <b>Movement of Net NPAs</b>                                                      |                     |                     |
| (a) Opening balance                                                              | -                   | -                   |
| (b) Additions during the year                                                    | -                   | -                   |
| (c) Reductions during the year                                                   | -                   | -                   |
| (d) Closing balance                                                              | -                   | -                   |
| <b>Movement of provisions for NPAs (excluding provisions on standard assets)</b> |                     |                     |
| (a) Opening balance                                                              | -                   | -                   |
| (b) Provisions made during the year*                                             | -                   | -                   |
| (c) Write-off / write-back of excess provisions                                  | -                   | -                   |
| (d) Closing balance                                                              | -                   | -                   |

**39 Disclosures of Complaints**

**Complaints**

| Particulars                                            | As at<br>31.03.2017 | As at<br>31.03.2016 |
|--------------------------------------------------------|---------------------|---------------------|
| No. of complaints pending at the beginning of the year | -                   | -                   |
| No. of complaints received during the year             | -                   | -                   |
| No. of complaints redressed during the year            | -                   | -                   |
| No. of complaints pending at the end of the year       | -                   | -                   |

**40** 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.

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**41 Employee Stock Option Scheme:**

JM Financial Limited granted the Stock Options to the eligible employees and/or directors (the Employees) of JM Financial Limited and its subsidiaries. Out of the total number of Options granted by JM Financial Limited, the following Stock Options pertain to the employees of the Company.

|                |                       |
|----------------|-----------------------|
| April 16, 2012 | 333,333 Stock Options |
| May 06, 2013   | 339,099 Stock Options |
| April 01, 2014 | 518,394 Stock Options |

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

| Vesting Date     | Series       | No. of Stock Options | Status       | Exercise Period                    | Exercise Price per Option (In Rupees) |
|------------------|--------------|----------------------|--------------|------------------------------------|---------------------------------------|
| 16th April, 2013 | Series - V   | 1,11,111             | Vested       | Seven years from the date of Grant | 1                                     |
| 16th April, 2014 | Series - V   | 1,11,111             | Vested       | Seven years from the date of Grant | 1                                     |
| 16th April, 2015 | Series - V   | 1,11,111             | Vested       | Seven years from the date of Grant | 1                                     |
| 6th May, 2014    | Series - VI  | 1,13,033             | Vested       | Seven years from the date of Grant | 1                                     |
| 6th May, 2015    | Series - VI  | 1,13,033             | Vested       | Seven years from the date of Grant | 1                                     |
| 6th May, 2016    | Series - VI  | 1,13,033             | Vested       | Seven years from the date of Grant | 1                                     |
| 1st April, 2015  | Series - VII | 1,69,332             | Vested       | Seven years from the date of Grant | 1                                     |
| 1st April, 2016  | Series - VII | 1,74,531             | Vested       | Seven years from the date of Grant | 1                                     |
| 1st April, 2017  | Series - VII | 1,74,531             | To be vested | Seven years from the date of Grant | 1                                     |

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

(In Rs Crore)

| Particulars                              | Number of outstanding options |               |
|------------------------------------------|-------------------------------|---------------|
|                                          | Current year                  | Previous year |
| Outstanding at the beginning of the year | 0.05                          | 0.08          |
| Granted during the year                  | -                             | -             |
| Transfer in during the year              | -                             | #             |
| Transfer out during the year             | #                             | -             |
| Lapsed/ forfeited during the year        | -                             | -             |
| Exercised during the year                | 0.03                          | 0.04          |
| Outstanding at the end of the year       | 0.02                          | 0.05          |
| Exercisable at the end of the year       | #                             | #             |

# Denotes amount below Rs.50,000/-

The charge on account of the above scheme is included in employee benefit expense aggregating Rs. 0.40 crore (Previous year Rs.0.61 crore). Since the options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

- 42 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:

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

| (In Rs Crore)                 |                   |                 |                 |
|-------------------------------|-------------------|-----------------|-----------------|
| Name of the company           | Relationship      | Maximum Balance | Closing Balance |
| JM Financial Products Limited | Fellow Subsidiary | 75.00           | -               |
|                               |                   | (-)             | (-)             |

Loans and advances shown above are interest bearing and are repayable on demand.

(Figures in brackets indicates previous year figures)

- 43 Expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)
- (a) Gross amount required to be spent by the company during the year – Rs 2.54 crore (Previous year Rs. 0.48 crore)
- (b) Amount spent and paid during the year by way of donation to charitable trusts – Rs 2.55 crore (Previous year Rs.0.48 crore)
- 44 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

| (In RUPEES)                           |       |                          |       |
|---------------------------------------|-------|--------------------------|-------|
|                                       | SBNs  | Other denomination notes | Total |
| Closing cash in hand as on 08.11.2016 | 2,500 | 175                      | 2,675 |
| (+) Permitted receipts                | -     | -                        | -     |
| (-) Permitted payments                | -     | -                        | -     |
| (-) Amount deposited in Banks         | 2,500 | -                        | 2,500 |
| Closing cash in hand as on 30.12.2016 | -     | 175                      | 175   |

- 45 The main business of the Company is in India to provide loans. All other activities of the Company revolve around the main business and accordingly there are no separate reportable segments, as per the Accounting Standard on 'Segment reporting' (AS 17) prescribed under section 133 of the Companies Act, 2013.

- 46 Unhedged Foreign Currency Exposure

| (In Rs Crore) |                                                                                             |                  |                  |
|---------------|---------------------------------------------------------------------------------------------|------------------|------------------|
| Sr No         | Particulars                                                                                 | As at 31.03.2017 | As at 31.03.2016 |
| 1             | Foreign Currency Exposures (FCE) as on 31.03.2017                                           | Nil              | Nil              |
| 2             | Total credit exposures (sanctioned) from banking system on 31.03.2017 (in foreign currency) | Nil              | Nil              |

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

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

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For and on behalf of the Board of Directors



**Vikram Pandit**  
Chairman  
DIN – 07062676



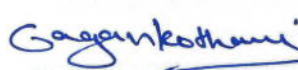
**Vishal Kampani**  
Vice Chairman  
DIN – 00009079



**Hariharan Aiyar**  
Vice Chairman  
DIN – 01374306



**Shashwat Belapurkar**  
Chief Executive Officer



**Gagan Kothari**  
Chief Financial Officer



**Hemant Pandya**  
Company Secretary

Place: Mumbai

Date: April 27, 2017

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**



**CASH FLOW STATEMENT**

|          | Particulars                                                         | For the<br>year ended              | For the<br>year ended              |
|----------|---------------------------------------------------------------------|------------------------------------|------------------------------------|
|          |                                                                     | As at 31.03.2017<br>(In Rs. Crore) | As at 31.03.2016<br>(In Rs. Crore) |
| <b>A</b> | <b>Cash flow from operating activities</b>                          |                                    |                                    |
|          | Profit before tax                                                   | 424.78                             | 301.72                             |
|          | <b>Adjustment for:</b>                                              |                                    |                                    |
|          | Depreciation and amortisation expenses                              | 0.21                               | 0.09                               |
|          | Profit on sale of investments (net)                                 | (1.25)                             | (0.06)                             |
|          | Provision for gratuity                                              | 0.09                               | 0.05                               |
|          | Provision for compensated absences                                  | 0.04                               | 0.05                               |
|          | Provision for standard assets                                       | 7.60                               | 7.67                               |
|          | Interest on income tax refund                                       | -                                  | (0.06)                             |
|          | Interest on fixed deposits                                          | (0.11)                             | (0.11)                             |
|          | Interest expenses - others                                          | 0.01                               | 0.01                               |
|          | Profit on sale of assets                                            | -                                  | -                                  |
|          | Dividend income                                                     | (0.15)                             | (0.46)                             |
|          | <b>Operating profit before working capital changes</b>              | <b>431.22</b>                      | <b>308.90</b>                      |
|          | <b>Adjustment for:</b>                                              |                                    |                                    |
|          | (Increase) in long-term loans and advances and other current assets | (1,578.35)                         | (2,247.94)                         |
|          | Increase in trade payables and other liabilities                    | 32.57                              | 76.12                              |
|          | (Decrease) / Increase in Provisions                                 | (0.06)                             | 0.03                               |
|          | <b>Cash (used in) operations</b>                                    | <b>(1,114.62)</b>                  | <b>(1,862.89)</b>                  |
|          | Direct taxes paid                                                   | (155.58)                           | (106.79)                           |
|          | <b>Net cash (used in) operating activities</b>                      | <b>(1,270.20)</b>                  | <b>(1,969.68)</b>                  |
| <b>B</b> | <b>Cash flow from investing activities</b>                          |                                    |                                    |
|          | Purchase of current investments – Others                            | (4,505.50)                         | (1,677.28)                         |
|          | Sale of current investments – Others                                | 4,506.75                           | 1,677.34                           |
|          | Purchase of fixed assets                                            | (0.74)                             | (0.27)                             |
|          | Sale of fixed assets                                                | -                                  | -                                  |
|          | Increase in other bank balances                                     | -                                  | 0.25                               |
|          | Interest received on Bank Deposits                                  | 0.11                               | 0.07                               |
|          | Dividend Income                                                     | 0.15                               | 0.46                               |
|          | <b>Net cash from investment activities</b>                          | <b>0.77</b>                        | <b>0.57</b>                        |

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**



|          | Particulars                                             | For the<br>year ended             | For the<br>year ended             |
|----------|---------------------------------------------------------|-----------------------------------|-----------------------------------|
|          |                                                         | As at 31.03.2017<br>(In Rs Crore) | As at 31.03.2016<br>(In Rs Crore) |
| <b>C</b> | <b>Cash flow from financing activities</b>              |                                   |                                   |
|          | Interest paid                                           | (0.01)                            | (0.01)                            |
|          | Proceeds from long-term borrowings                      | 1,432.50                          | 2,035.91                          |
|          | Repayment of long-term borrowings                       | (297.69)                          | -                                 |
|          | Proceeds from short-term borrowings                     | 8,229.92                          | 5,310.90                          |
|          | Repayment of short-term borrowings                      | (8,195.45)                        | (5,278.75)                        |
|          | <b>Net cash from financing activities</b>               | <b>1,169.27</b>                   | <b>2,068.05</b>                   |
|          | Net (Decrease) / increase in Cash and cash equivalents  | (100.16)                          | 98.94                             |
|          | Cash and cash equivalents at the beginning of the year  | 101.86                            | 2.92                              |
|          | <b>Cash and cash equivalents at the end of the year</b> | <b>1.70</b>                       | <b>101.86</b>                     |

**Notes**

- 1 The cash flow statement has been prepared under the 'Indirect Method' set out in AS 3 - "Cash Flow Statement" notified in Companies (Accounting standards) Rules, 2006 (as amended).
- 2 Previous year's figures have been regrouped and rearranged wherever necessary

In terms of our report attached

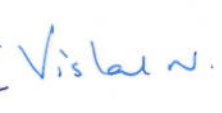
**For Deloitte Haskins & Sells LLP**

**Chartered Accountants**

Registration No. 117366W/W-100018

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

  
**Vikram Pandit**  
Chairman  
DIN – 07062676

  
**Vishal Kampani**  
Vice Chairman  
DIN – 00009079

  
**Hariharan Aiyar**  
Vice Chairman  
DIN – 01374306

  
**Abhijit A. Damle**  
Partner  
Membership No. 102912  
Place: Mumbai  
Date: April 27, 2017

  
**Shashwat Belapurkar**  
Chief Executive Officer

  
**Gagan Kothari**  
Chief Financial Officer

  
**Hemant Pandya**  
Company Secretary

**Place: Mumbai**  
**Date: April 27, 2017**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF JM FINANCIAL CREDIT SOLUTIONS LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **JM Financial Credit Solutions Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, 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 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

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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 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".
- (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 does not have any pending litigation 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.

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- 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:** 12<sup>th</sup> May, 2016

**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 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 Credit Solutions 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.

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### **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 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:** 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' section of our report of even date)

- (i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. 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, transfer deed / conveyance 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.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has not 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.
- (iv) The company being Non-Banking Finance Company and does not have any investment, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has 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 where applicable, to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.
  - (b) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on 31<sup>st</sup> March 2016 on account of disputes.

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**Deloitte**  
**Haskins & Sells LLP**

- (viii) 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 financial institutions, banks and dues to debenture holders. The Company does not have loans or borrowings from Government.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer.
- (x) 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.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration to the managerial personnel hence the requirement of provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) 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.
- (xiv) 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.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into 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.
- (xvi) In our opinion and according to the information and explanation given to us, 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: 12<sup>th</sup> May, 2016**



**JM FINANCIAL CREDIT SOLUTIONS  
LIMITED**

**Financial Statements**

**Financial Year 2015 - 2016**

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**BALANCE SHEET AS AT MARCH 31, 2016**

|                                                                   | Note No. | As at 31.03.2016<br>(In Rupees) | As at 31.03.2015<br>(In Rupees) |
|-------------------------------------------------------------------|----------|---------------------------------|---------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                                  |          |                                 |                                 |
| <b>1 Shareholders' funds</b>                                      |          |                                 |                                 |
| Share capital                                                     | 2        | 2,49,95,000                     | 2,49,95,000                     |
| Reserves and surplus                                              | 3        | 1,133,51,97,211                 | 935,97,80,293                   |
|                                                                   |          | <b>1,136,01,92,211</b>          | <b>938,47,75,293</b>            |
| <b>2 Non-current liabilities</b>                                  |          |                                 |                                 |
| Long-term borrowings                                              | 4        | 1,966,97,20,719                 | 115,00,00,000                   |
| Long-term provisions                                              | 5        | 12,58,87,135                    | 4,84,47,832                     |
|                                                                   |          | <b>1,969,56,07,854</b>          | <b>119,84,47,832</b>            |
| <b>3 Current liabilities</b>                                      |          |                                 |                                 |
| Short-term borrowings                                             | 6        | 818,05,12,414                   | 785,90,66,316                   |
| Trade payables:                                                   | 7        |                                 |                                 |
| Due to micro, small and medium enterprises                        |          | -                               | -                               |
| Others                                                            |          | 7,41,15,815                     | 48,68,169                       |
| Other current liabilities                                         | 8        | 273,00,57,366                   | 9,87,39,345                     |
| Short-term provisions                                             | 9        | 2,71,83,898                     | 1,10,42,827                     |
|                                                                   |          | <b>1,101,18,69,493</b>          | <b>797,37,16,657</b>            |
|                                                                   |          | <b>4,206,76,69,558</b>          | <b>1,855,69,39,782</b>          |
| <b>II. ASSETS</b>                                                 |          |                                 |                                 |
| <b>1 Non-current assets</b>                                       |          |                                 |                                 |
| Fixed assets:                                                     | 10       |                                 |                                 |
| Tangible assets                                                   |          | 22,00,439                       | 12,83,305                       |
| Intangible assets                                                 |          | 8,81,240                        | -                               |
| Deferred tax assets (net)                                         | 11       | 7,54,58,418                     | 3,55,13,063                     |
| Long-term loans and advances                                      | 12       | 3,317,44,95,515                 | 1,663,18,75,262                 |
|                                                                   |          | <b>3,325,30,35,612</b>          | <b>1,666,86,71,630</b>          |
| <b>2 Current assets</b>                                           |          |                                 |                                 |
| Cash and bank balances                                            | 13       | 101,86,32,855                   | 3,17,53,291                     |
| Short-term loans and advances                                     | 14       | 779,55,90,435                   | 185,64,58,568                   |
| Other current assets                                              | 15       | 4,10,656                        | 56,293                          |
|                                                                   |          | <b>881,46,33,946</b>            | <b>188,82,68,152</b>            |
|                                                                   |          | <b>4,206,76,69,558</b>          | <b>1,855,69,39,782</b>          |
| Significant accounting policies and notes to financial statements | 1 to 44  |                                 |                                 |

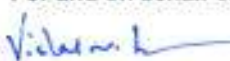
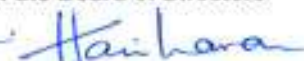
In terms of our report attached

For Deloitte Haskins &amp; Sells LLP

Chartered Accountants

Registration No. 117366WW-100018

For and on behalf of the Board of Directors

Vishal Kampani

Vice Chairman

DIN - 00009079

Hariharan Aiyar

Vice Chairman

DIN - 01374306




Abhijit A. Damle

Partner

Membership No. 102912

Place: Mumbai

Date: May 12, 2016



Shashwat Belapurkar

Chief Executive Officer



Gagan Kothari

Chief Financial Officer



Hemant Pandya

Company Secretary

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

|             |                                                                   | Note No. | For the year ended 31.03.2016<br>(In Rupees) | For the year ended 31.03.2015<br>(In Rupees) |
|-------------|-------------------------------------------------------------------|----------|----------------------------------------------|----------------------------------------------|
| <b>I.</b>   | <b>Income:</b>                                                    |          |                                              |                                              |
| (a)         | Revenue from operations                                           | 16       | 518,75,98,724                                | 94,13,85,520                                 |
| (b)         | Other income                                                      | 17       | 68,51,668                                    | 9,59,17,977                                  |
|             | <b>Total Revenue</b>                                              |          | <b>519,44,50,392</b>                         | <b>103,73,03,497</b>                         |
| <b>II.</b>  | <b>Expenses:</b>                                                  |          |                                              |                                              |
| (a)         | Employee benefits expense                                         | 18       | 18,65,01,117                                 | 11,73,70,664                                 |
| (b)         | Finance costs                                                     | 19       | 174,68,31,696                                | 13,36,89,353                                 |
| (c)         | Provision for loans                                               | 20       | 7,67,00,000                                  | 4,39,27,178                                  |
| (d)         | Depreciation                                                      | 10       | 8,98,996                                     | 1,56,036                                     |
| (e)         | Operating and other expenses                                      | 21       | 16,63,66,699                                 | 3,99,40,390                                  |
|             | <b>Total expenses</b>                                             |          | <b>217,72,98,508</b>                         | <b>33,50,83,621</b>                          |
| <b>III.</b> | <b>Profit before Tax</b>                                          |          | <b>301,71,51,884</b>                         | <b>70,22,19,876</b>                          |
| <b>IV</b>   | <b>Less: Tax expense</b>                                          |          |                                              |                                              |
|             | Current tax                                                       |          | 108,51,00,000                                | 24,67,00,000                                 |
|             | Deferred tax                                                      |          | (3,99,45,355)                                | (3,24,64,007)                                |
|             | Excess provision for tax in respect of earlier year (net)         |          | (34,19,679)                                  | -                                            |
|             |                                                                   |          | <b>104,17,34,966</b>                         | <b>21,42,35,993</b>                          |
| <b>V</b>    | <b>Profit for the year</b>                                        |          | <b>197,54,16,918</b>                         | <b>48,79,83,883</b>                          |
| <b>VI</b>   | <b>Earning Per Equity Share</b><br>(Face value of Rs. 10/- each)  | 27       |                                              |                                              |
|             | Basic                                                             |          | 1,580.33                                     | 903.90                                       |
|             | Diluted                                                           |          | 790.32                                       | 492.05                                       |
|             | Significant accounting policies and notes to financial statements | 1 to 44  |                                              |                                              |

In terms of our report attached

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

Registration No. 117366WW-100018

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

*Vishal Kampani*

**Vishal Kampani**  
**Vice Chairman**  
DIN - 00009079

*Hariharan Aiyar*

**Hariharan Aiyar**  
**Vice Chairman**  
DIN - 01374306



*Abhijit A. Damle*

**Abhijit A. Damle**  
**Partner**  
Membership No. 102912  
Place: Mumbai  
Date: May 12, 2016

*Shashwat Belapurkar*  
**Shashwat Belapurkar**  
**Chief Executive Officer**

*Gagan Kothari*  
**Gagan Kothari**  
**Chief Financial Officer**

*Hemant Pandya*  
**Hemant Pandya**  
**Company Secretary**

**1. Significant Accounting Policies**
**1. 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, as applicable and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act") as applicable and the circulars and guidance issued by Reserve Bank of India from time to time. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in preparation of financial statements are consistent with those followed in previous year.

**2. Current / Non-current classification of assets / liabilities**

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non-current.

**3. Use of estimates**

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles which require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known / materialised

**4. Fixed Assets**

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

**Depreciation**

Depreciation on fixed assets is provided on the straight line method at the following rates:

| Assets                 | Useful Life |
|------------------------|-------------|
| Vehicles               | 5 years     |
| Computers              | 3 years     |
| Servers and Networks   | 6 years     |
| Office Equipment       | 5 years     |
| Furniture and Fixtures | 10 years    |

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

Assets taken on finance lease are depreciated over a period of lease.

**Intangible Assets**

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED****5. Impairment of assets**

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets' net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

**6. Investments**

Investments are classified as non-current or current. Non-current investments are carried at cost, however, provision for diminution in the value of long-term investments is made to recognise a decline, other than temporary, in the value of investments. The provision for diminution in the value of the quoted long-term investments is made to recognise the decline at lower of cost or market value, determined on the basis of the quoted prices of individual investment. Provision for diminution in the value of unquoted long-term investments is made as per the Management's estimate. Current investments are carried at lower of cost or fair value.

**7. 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.

Additional finance charges / additional interest are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

Processing fees received from customers is recognised as income on receipt basis.

Dividend income is recognised when the right to receive the dividend is established.

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

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

**9. 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 Statement of Profit and Loss.

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

Short term employee benefits are recognized as an expense at the undiscounted amount in Statement of Profit and Loss of the year in which the related services are rendered.

**10. 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 recognized in the Statement of Profit and Loss in the period they occur.

**11. 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.

**12. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**13. 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 CREDIT SOLUTIONS LIMITED**



**2. SHARE CAPITAL**

(In Rupees)

|                                                                                  | As at 31.03.2016   | As at 31.03.2015   |
|----------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Authorised</b>                                                                |                    |                    |
| 30,00,000 Equity shares of Rs 10/- each                                          | 3,00,00,000        | 3,00,00,000        |
| 20,00,000 Preference shares of Rs 10/- each                                      | 2,00,00,000        | 2,00,00,000        |
|                                                                                  | <b>5,00,00,000</b> | <b>5,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up</b>                                            |                    |                    |
| 12,50,004 Equity shares of Rs 10/- each fully paid-up                            | 1,25,00,040        | 1,25,00,040        |
| 12,49,496 Compulsory convertible preference shares of Rs 10/- each fully paid-up | 1,24,94,960        | 1,24,94,960        |
| <b>Total</b>                                                                     | <b>2,49,95,000</b> | <b>2,49,95,000</b> |

**2.1 Reconciliation of the number of shares outstanding**

**Equity Shares**

|                                                  | As at 31.03.2016 |                    | As at 31.03.2015 |                    |
|--------------------------------------------------|------------------|--------------------|------------------|--------------------|
|                                                  | Number           | Amount             | Number           | Amount             |
| Shares outstanding at the beginning of the year  | 12,50,004        | 1,25,00,040        | 50,000           | 5,00,000           |
| Shares issued during the year                    | -                | -                  | 12,00,004        | 1,20,00,040        |
| Shares bought back during the year               | -                | -                  | -                | -                  |
| <b>Shares outstanding at the end of the year</b> | <b>12,50,004</b> | <b>1,25,00,040</b> | <b>12,50,004</b> | <b>1,25,00,040</b> |

**Compulsory Convertible Preference Shares**

|                                                  | As at 31.03.2016 |                    | As at 31.03.2015 |                    |
|--------------------------------------------------|------------------|--------------------|------------------|--------------------|
|                                                  | Number           | Amount             | Number           | Amount             |
| Shares outstanding at the beginning of the year  | 12,49,496        | 1,24,94,960        | -                | -                  |
| Shares issued during the year                    | -                | -                  | 12,49,496        | 1,24,94,960        |
| Shares bought back during the year               | -                | -                  | -                | -                  |
| <b>Shares outstanding at the end of the year</b> | <b>12,49,496</b> | <b>1,24,94,960</b> | <b>12,49,496</b> | <b>1,24,94,960</b> |

**2.2 Details of shareholding in excess of 5%**

|                                              | As at 31.03.2016 |          | As at 31.03.2015 |          |
|----------------------------------------------|------------------|----------|------------------|----------|
|                                              | Number           | Amount   | Number           | Amount   |
| <b>Equity Shares :</b>                       |                  |          |                  |          |
| JM Financial Limited along with its nominees | 12,50,000        | 99.9997% | 12,50,000        | 99.9997% |
| <b>Preference Shares :</b>                   |                  |          |                  |          |
| INH Mauritius 1                              | 12,15,292        | 97.26%   | 12,15,292        | 97.26%   |

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**2.3 Terms and rights attached to each class of shares:****Equity Shares:**

The Company has only one class of shares referred to as equity shares having a face value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders.

**Compulsory Convertible Preference Shares (CCPS):****Right to Rank Prior to Equity Shares:**

The CCPS shall rank prior to the equity shares of the Company (the equity shares) for the purpose of dividend, liquidation, dissolution or winding up of the Company, subject to the provisions of the Act, as amended from time to time.

**Voting rights:**

The holders of the CCPS shall be entitled to voting rights only in respect of those resolutions placed before the Company which directly affect the rights attached to the CCPS

**Dividend:**

The rate of dividend in respect of CCPS shall be 0.00001% per annum of the face value of the CCPS on non-cumulative basis.

The CCPS shall be non-cumulative compulsorily convertible preference share of face value Rs. 10/- each

**Terms of Preference shares:**

CCPS shall be automatically converted in to Equity Shares on the third anniversary of the allotment of shares to the investors. The CCPS shall be converted into Equity Shares such that the aggregate shareholding of the investors post such conversion shall be 49.99% of the total paid up equity share capital of the Company. The issue price per Equity Share arising out of the said conversion shall be adjusted as per the terms and conditions agreed upon between the Company and the holders of the CCPS in writing.

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**3 RESERVES AND SURPLUS**

(In Rupees)

|                                                                                        | As at 31.03.2016       | As at 31.03.2015     |
|----------------------------------------------------------------------------------------|------------------------|----------------------|
| <b>a. Securities Premium Account</b>                                                   |                        |                      |
| Opening balance                                                                        | 881,15,52,215          | -                    |
| (+) on issue of share                                                                  | -                      | 881,73,45,000        |
| (-) utilised for share issue expenses (Previous year net of deferred tax Rs.30,49,056) | -                      | 57,92,785            |
| <b>Closing balance</b>                                                                 | <b>881,15,52,215</b>   | <b>881,15,52,215</b> |
| <b>b. General Reserve</b>                                                              |                        |                      |
| Balance as per Balance Sheet                                                           | 16,88,803              | 16,88,803            |
| <b>c. Statutory Reserve</b>                                                            |                        |                      |
| Opening balance                                                                        | 10,46,44,000           | 70,47,000            |
| (+) Transferred during the year                                                        | 39,51,56,000           | 9,75,97,000          |
| <b>Closing balance</b>                                                                 | <b>49,98,00,000</b>    | <b>10,46,44,000</b>  |
| <b>d. Surplus in Statement of Profit and Loss:</b>                                     |                        |                      |
| Opening balance                                                                        | 44,18,95,275           | 5,15,08,392          |
| (+) Profit for the year                                                                | 197,54,16,918          | 48,79,83,883         |
|                                                                                        | <b>241,73,12,193</b>   | <b>53,94,92,275</b>  |
| (-) Appropriations                                                                     |                        |                      |
| Transferred to statutory reserve                                                       | 39,51,56,000           | 9,75,97,000          |
| <b>Closing balance</b>                                                                 | <b>202,21,56,193</b>   | <b>44,18,95,275</b>  |
| <b>Total</b>                                                                           | <b>1,133,51,97,211</b> | <b>935,97,80,293</b> |

**4 LONG-TERM BORROWINGS**

(In Rupees)

|                                                                        | As at 31.03.2016       | As at 31.03.2015     |
|------------------------------------------------------------------------|------------------------|----------------------|
| <b>Secured</b>                                                         |                        |                      |
| Term loan (refer note 4.1)                                             |                        |                      |
| - From Banks                                                           | 1,189,99,85,963        | 65,00,00,000         |
| - From other parties                                                   | 25,00,00,000           | -                    |
| Less: Current maturities of term loans                                 | (118,93,33,333)        | -                    |
|                                                                        | <b>1,096,06,52,630</b> | <b>65,00,00,000</b>  |
| Non-convertible debentures (refer note 4.2 and 4.3)                    | 935,90,00,000          | 50,00,00,000         |
| Less: Current maturities of Non-convertible debentures                 | (75,00,00,000)         | -                    |
|                                                                        | <b>860,90,00,000</b>   | <b>50,00,00,000</b>  |
| Finance lease obligations                                              | 4,42,836               | -                    |
| Less: Current maturities of Finance Lease Obligations (refer note 4.4) | 3,74,747               | -                    |
|                                                                        | <b>68,089</b>          | <b>-</b>             |
|                                                                        | <b>1,956,97,20,719</b> | <b>115,00,00,000</b> |

**4.1 Term loans:**

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.

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

b) Maturity profile and rate of interest of term loans:

| Residual Maturities | Non-Current                             |                                         |                        |                                         |                                         |                     |
|---------------------|-----------------------------------------|-----------------------------------------|------------------------|-----------------------------------------|-----------------------------------------|---------------------|
|                     | As on March 31, 2016                    |                                         |                        | As on March 31, 2015                    |                                         |                     |
|                     | 1-3 years<br>(April 2016 to March 2019) | 3 years & above<br>(April 2019 onwards) | Total                  | 1-3 years<br>(April 2015 to March 2018) | 3 years & above<br>(April 2018 onwards) | Total               |
| Rate of interest*   |                                         |                                         |                        |                                         |                                         |                     |
| 9.00 % to 10.00%    | 76,66,66,667                            | 100,00,00,000                           | 176,66,66,667          | -                                       | -                                       | -                   |
| 10.01% to 11.00%    | 752,75,91,882                           | 166,63,94,081                           | 919,39,85,963          | 65,00,00,000                            | -                                       | 65,00,00,000        |
| <b>Total</b>        | <b>829,42,58,549</b>                    | <b>266,63,94,081</b>                    | <b>1,096,06,52,630</b> | <b>65,00,00,000</b>                     | <b>-</b>                                | <b>65,00,00,000</b> |

\*The rate of interest for the above term loans is linked to the base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

#### 4.2 Non-Convertible Debentures:

a) Rs.400,00,00,000/- (Previous year Rs.50,00,00,000/-) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

b) Rs.505,90,00,000/- (Previous year Nil) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

c) Rs.30,00,00,000/- (Previous year Nil) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

#### 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 |
| 9.90% NCD redeemable in year 2016-17     | -                    | 50,00,00,000        | 50,00,00,000        | -             |
| 0% NCD redeemable in year 2016-17*       | -                    | -                   | 25,00,00,000        | -             |
| 0% NCD redeemable in year 2017-18*       | 50,00,00,000         | -                   | -                   | -             |
| 10.1674 % NCD redeemable in year 2017-18 | 75,00,00,000         | -                   | -                   | -             |
| 10.1687 % NCD redeemable in year 2017-18 | 100,00,00,000        | -                   | -                   | -             |
| 10.5 % NCD redeemable in year 2017-18    | 60,00,00,000         | -                   | -                   | -             |
| 9.9756 % NCD redeemable in year 2017-18  | 75,00,00,000         | -                   | -                   | -             |
| 0% NCD redeemable in year 2018-19*       | 3,00,00,000          | -                   | -                   | -             |
| 10.2609 % NCD redeemable in year 2018-19 | 300,00,00,000        | -                   | -                   | -             |
| 10.2946 % NCD redeemable in year 2018-19 | 100,00,00,000        | -                   | -                   | -             |
| 0% NCD redeemable in year 2019-20*       | 17,90,00,000         | -                   | -                   | -             |
| 10.5 % NCD redeemable in year 2019-20    | 50,00,00,000         | -                   | -                   | -             |
| 9.7 % NCD redeemable in year 2021-22     | 30,00,00,000         | -                   | -                   | -             |
|                                          | <b>860,90,00,000</b> | <b>50,00,00,000</b> | <b>75,00,00,000</b> | <b>-</b>      |

\* Redeemable at premium

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



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**5 LONG-TERM PROVISIONS**
**(In Rupees)**

|                                                    | As at 31.03.2016    | As at 31.03.2015   |
|----------------------------------------------------|---------------------|--------------------|
| For Standard assets (refer note 5.1)               | 12,29,00,000        | 4,62,00,000        |
| For employee benefits:<br>Gratuity (refer note 24) | 29,87,135           | 22,47,832          |
|                                                    | <b>12,58,87,135</b> | <b>4,84,47,832</b> |

5.1 To ensure that Non-Banking Financial Companies (NBFC) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a notification No. DNBS 22 / CGM (US) dated January 17, 2011 as amended on timely basis, requiring all NBFCs to make a general provision at 0.30 per cent of outstanding standard assets. The Company has created provision for standard assets, which is sufficient to comply with the aforesaid RBI Notification.

**6 SHORT-TERM BORROWINGS**
**(In Rupees)**

|                                                | As at 31.03.2016     | As at 31.03.2015      |
|------------------------------------------------|----------------------|-----------------------|
| <b>Secured</b>                                 |                      |                       |
| <b>Loans repayable on demand</b>               |                      |                       |
| <b>From banks</b>                              |                      |                       |
| Working Capital demand Loan (refer note 6.1)   | 10,00,00,000         | -                     |
| Cash credit facilities (refer note 6.2)        | 141,31,96,082        | 50,02,94,601          |
| <b>Unsecured</b>                               |                      |                       |
| <b>Other loans and advances</b>                |                      |                       |
| Commercial paper (refer note 6.3 and note 6.4) | 550,00,00,000        | 750,00,00,000         |
| Less: Unamortised interest on commercial paper | (28,26,83,668)       | (14,12,28,285)        |
|                                                | <b>521,73,16,332</b> | <b>7,35,87,71,715</b> |
| Loans from holding company                     | 145,00,00,000        | -                     |
|                                                | <b>666,73,16,332</b> | <b>7,35,87,71,715</b> |
|                                                | <b>818,05,12,414</b> | <b>7,85,90,66,316</b> |

6.1 Short term loan from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.

6.2 Cash credit facility from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.

6.3 The maximum amount of commercial paper outstanding at any time during the year was Rs.860,00,00,000/- (Previous year 750,00,00,000).

6.4 Interest rate of commercial paper range from 8.95% to 10.30% p.a.

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**7 TRADE PAYABLES**

There are no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly disclosures, if any, relating to amounts unpaid as at the year end and together with the interest paid / payable as required under the said Act are not applicable.

**8 OTHER CURRENT LIABILITIES**
**(In Rupees)**

|                                                         | As at 31.03.2016     | As at 31.03.2015   |
|---------------------------------------------------------|----------------------|--------------------|
| <b>Current maturities of long term borrowings:</b>      |                      |                    |
| -Term Loan from Bank and other parties (Refer note 4.1) | 118,93,33,333        | -                  |
| -Non-Convertible Debentures (Refer note 4.2 and 4.3)    | 75,00,00,000         | -                  |
|                                                         | <b>193,93,33,333</b> | <b>-</b>           |
| Finance lease obligations (Refer note 8.1 and 26)       | 3,74,747             | 1,60,901           |
| Statutory dues                                          | 1,39,91,216          | 22,36,662          |
| Interest payable                                        | 61,37,78,070         | 11,40,754          |
| Employee benefits payable                               | 16,25,80,000         | 9,52,01,028        |
|                                                         | <b>273,00,57,366</b> | <b>9,87,39,345</b> |

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

**9 SHORT-TERM PROVISIONS**
**(In Rupees)**

|                           | As at 31.03.2016   | As at 31.03.2015   |
|---------------------------|--------------------|--------------------|
| Provision for tax (net)   | 2,41,64,408        | 85,72,364          |
| For employee benefits:    |                    |                    |
| -Gratuity (Refer note 24) | 2,34,274           | 1,68,906           |
| -Compensated absences     | 27,85,216          | 23,01,557          |
|                           | <b>2,71,83,898</b> | <b>1,10,42,827</b> |



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**10 FIXED ASSETS FOR THE CURRENT YEAR**

(In Rupees)

| Description               | GROSS BLOCK         |                           | DEPRECIATION        |                     | NET BLOCK<br>As at<br>31.03.2016 |
|---------------------------|---------------------|---------------------------|---------------------|---------------------|----------------------------------|
|                           | As at<br>31.03.2015 | Additions for the<br>year | As at<br>31.03.2016 | Up to<br>31.03.2015 | Up to<br>31.03.2016              |
| <b>TANGIBLE ASSETS:</b>   |                     |                           |                     |                     |                                  |
| Owned Assets:             |                     |                           |                     |                     |                                  |
| Land                      | 5,36,040            | -                         | 5,36,040            | -                   | 5,36,040                         |
| Computers                 | 6,33,111            | 6,29,755                  | 12,62,866           | 98,864              | 7,82,811                         |
| Furniture and fixtures    | 95,212              | 3,09,966                  | 4,05,178            | 2,348               | 3,83,327                         |
| Office Equipment          | -                   | 1,26,000                  | 1,26,000            | -                   | 1,22,828                         |
| Leased Assets:            |                     |                           |                     |                     |                                  |
| Vehicles                  | 1,72,830            | 7,22,405                  | 8,95,235            | 52,676              | 3,75,433                         |
| <b>Total</b>              | <b>14,37,193</b>    | <b>16,62,126</b>          | <b>30,99,319</b>    | <b>1,53,888</b>     | <b>22,00,439</b>                 |
| <b>INTANGIBLE ASSETS:</b> |                     |                           |                     |                     |                                  |
| Software (Purchased)      | -                   | 9,09,244                  | 9,09,244            | -                   | 8,81,240                         |
| <b>Grand total</b>        | <b>14,37,193</b>    | <b>26,97,370</b>          | <b>41,34,563</b>    | <b>1,53,888</b>     | <b>30,81,679</b>                 |



*Handwritten signature/initials in blue ink.*

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**FIXED ASSETS FOR THE PREVIOUS YEAR**

(In Rupees)

| Description            | GROSS BLOCK         |                              |                            | As at<br>31.03.2015 | DEPRECIATION        |                              |                            | NET<br>BLOCK<br>As at<br>31.03.2015 |
|------------------------|---------------------|------------------------------|----------------------------|---------------------|---------------------|------------------------------|----------------------------|-------------------------------------|
|                        | As at<br>31.03.2014 | Additions<br>for the<br>year | Deductions for<br>the year |                     | Up to<br>31.03.2014 | Additions<br>for the<br>year | Deductions<br>for the year |                                     |
| TANGIBLE ASSETS:       |                     |                              |                            |                     |                     |                              |                            |                                     |
| Owned Assets:          |                     |                              |                            |                     |                     |                              |                            |                                     |
| Land                   | -                   | 5,36,040                     | -                          | 5,36,040            | -                   | -                            | -                          | 5,36,040                            |
| Office premises        | 18,67,137           | -                            | 18,67,137                  | -                   | 8,94,256            | 2,148                        | 8,96,404                   | -                                   |
| Computers              | -                   | 6,33,111                     | -                          | 6,33,111            | -                   | 98,864                       | -                          | 5,34,247                            |
| Furniture and fixtures | 13,81,031           | 95,212                       | 13,81,031                  | 95,212              | 13,81,031           | 2,348                        | 13,81,031                  | 92,864                              |
| Electrical fittings    | 1,45,345            | -                            | 1,45,345                   | -                   | 1,45,345            | -                            | 1,45,345                   | -                                   |
| Office equipment       | 2,92,688            | -                            | 2,92,688                   | -                   | 2,92,688            | -                            | 2,92,688                   | -                                   |
| Leased Assets:         |                     |                              |                            |                     |                     |                              |                            |                                     |
| Vehicles               | -                   | 1,72,830                     | -                          | 1,72,830            | -                   | 52,676                       | -                          | 1,20,154                            |
| Total                  | 36,86,201           | 14,37,193                    | 36,86,201                  | 14,37,193           | 27,13,320           | 1,56,036                     | 27,15,468                  | 12,83,305                           |



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**



**11 DEFERRED TAX ASSETS (NET)**

(In Rupees)

|                                                                     | As at 31.03.2016   | As at 31.03.2015   |
|---------------------------------------------------------------------|--------------------|--------------------|
| Provision for standard assets                                       | 4,25,33,232        | 1,59,88,896        |
| Disallowances under section 43B of the Income Tax Act, 1961         | 3,12,85,446        | 1,69,48,653        |
| Share issue expense                                                 | 19,57,257          | 26,09,676          |
| Difference between books and tax written down value of fixed assets | (3,17,517)         | (34,162)           |
|                                                                     | <b>7,54,58,418</b> | <b>3,55,13,063</b> |

**12 LONG-TERM LOANS AND ADVANCES**

(In Rupees)

|                                                         | As at 31.03.2016       | As at 31.03.2015       |
|---------------------------------------------------------|------------------------|------------------------|
| (Unsecured unless otherwise stated and considered good) |                        |                        |
| Loan Funds:                                             |                        |                        |
| Secured                                                 | 3,315,29,35,048        | 1,662,86,72,434        |
| Capital advances                                        | 23,48,191              | 7,32,640               |
| Advance tax (net of provisions)                         | 48,00,286              | 24,70,188              |
| Security deposits                                       | 1,44,11,990            | -                      |
|                                                         | <b>3,317,44,95,515</b> | <b>1,663,18,75,262</b> |

**13 CASH AND BANK BALANCES**

(In Rupees)

|                                       | As at 31.03.2016     | As at 31.03.2015   |
|---------------------------------------|----------------------|--------------------|
| Cash and cash equivalents             |                      |                    |
| Cash in hand                          | 707                  | 9,307              |
| Balances with banks                   |                      |                    |
| - in current accounts                 | 1,86,32,148          | 2,92,43,984        |
| - in deposit accounts                 | 100,00,00,000        | -                  |
|                                       | <b>101,86,32,855</b> | <b>2,92,53,291</b> |
| Other bank balances (Refer note 13.1) |                      |                    |
| In deposit accounts                   | -                    | 25,00,000          |
|                                       | <b>-</b>             | <b>25,00,000</b>   |
|                                       | <b>101,86,32,855</b> | <b>3,17,53,291</b> |

13.1 Deposit accounts under lien nil, (Previous year 25,00,000) against which overdraft facilities amounting to nil (Previous year nil) has been availed.

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**14 SHORT-TERM LOANS AND ADVANCES**

(In Rupees)

|                                                               | As at 31.03.2016     | As at 31.03.2015     |
|---------------------------------------------------------------|----------------------|----------------------|
| <b>Unsecured, unless otherwise stated and considered good</b> |                      |                      |
| Loan funds (Secured)                                          | 674,17,29,000        | 181,59,15,144        |
| Loan funds (Unsecured)                                        | 85,00,00,000         | -                    |
| Income accrued and due                                        | 17,17,28,689         | 5,96,877             |
| Income accrued but not due                                    | 2,51,55,732          | 2,47,88,507          |
| Security deposits                                             | -                    | 1,43,19,200          |
| Prepaid expenses                                              | 3,13,165             | -                    |
| Other advances                                                | 66,63,849            | 8,38,840             |
|                                                               | <b>779,55,90,435</b> | <b>185,64,58,568</b> |

**15 OTHER CURRENT ASSETS**

(In Rupees)

|                                         | As at 31.03.2016 | As at 31.03.2015 |
|-----------------------------------------|------------------|------------------|
| Accrued interest on deposits with banks | 4,10,656         | 56,293           |
|                                         | <b>4,10,656</b>  | <b>56,293</b>    |

**16 REVENUE FROM OPERATIONS**

(In Rupees)

|                                       | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---------------------------------------|-------------------------------|-------------------------------|
| <b>Income from funding activities</b> |                               |                               |
| Interest on loans                     | 468,35,77,902                 | 72,37,93,600                  |
| Processing and prepayment fees        | 50,40,20,822                  | 21,75,91,920                  |
|                                       | <b>518,75,98,724</b>          | <b>94,13,85,520</b>           |

**17 OTHER INCOME**

(In Rupees)

|                                            | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|--------------------------------------------|-------------------------------|-------------------------------|
| <b><u>Interest Income</u></b>              |                               |                               |
| Bank deposits                              | 10,83,701                     | 19,31,244                     |
| Interest on income tax refund              | 5,36,578                      | -                             |
|                                            | <b>16,20,279</b>              | <b>19,31,244</b>              |
| <b>Profit on Sale of Investments (Net)</b> |                               |                               |
| Current investments                        | 6,13,072                      | -                             |
| <b>Dividend on investments</b>             |                               |                               |
| Current investments                        | 46,16,974                     | 3,65,82,002                   |
| Profit on sale of assets                   | -                             | 5,74,04,731                   |
| Miscellaneous Income                       | 1,343                         | -                             |
|                                            | <b>68,51,668</b>              | <b>9,59,17,977</b>            |



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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**18 EMPLOYEE BENEFITS EXPENSE**

(In Rupees)

|                                                | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|------------------------------------------------|-------------------------------|-------------------------------|
| Salaries, bonus, other allowances and benefits | 18,11,36,792                  | 11,58,94,271                  |
| Contribution to provident and other funds      | 30,10,052                     | 8,20,419                      |
| Gratuity (refer note 24)                       | 5,42,579                      | 5,71,667                      |
| Staff welfare expenses                         | 18,11,694                     | 84,307                        |
|                                                | <b>18,65,01,117</b>           | <b>11,73,70,664</b>           |

**19 FINANCE COSTS**

(In Rupees)

|                              | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|------------------------------|-------------------------------|-------------------------------|
| <b>Interest expense:</b>     |                               |                               |
| - on loans                   | 166,36,85,826                 | 12,66,39,908                  |
| - on bank overdraft          | 6,56,45,512                   | 2,94,521                      |
| - on others                  | 1,35,728                      | 12,494                        |
| <b>Other borrowing costs</b> | <b>1,73,64,630</b>            | <b>67,42,430</b>              |
|                              | <b>174,68,31,696</b>          | <b>13,36,89,353</b>           |

**20 PROVISION FOR LOANS**

(In Rupees)

|                              | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|------------------------------|-------------------------------|-------------------------------|
| Provision on standard assets | 7,67,00,000                   | 4,39,27,178                   |
|                              | <b>7,67,00,000</b>            | <b>4,39,27,178</b>            |

**21 OPERATING AND OTHER EXPENSES**

(In Rupees)

|                                       | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---------------------------------------|-------------------------------|-------------------------------|
| Rates and taxes                       | 1,12,71,514                   | 1,26,85,448                   |
| Legal and professional fees           | 2,10,81,297                   | 1,25,62,421                   |
| Support service charges               | 8,98,80,000                   | 63,70,800                     |
| Space and related charges             | 1,50,59,137                   | 52,67,918                     |
| Travelling and conveyance             | 47,16,874                     | 7,59,832                      |
| Filing fees                           | 42,171                        | 6,15,313                      |
| Auditors remuneration (refer note 23) | 12,45,000                     | 3,00,000                      |
| Repairs and maintenance               | 23,47,262                     | 4,27,352                      |
| Electricity expenses                  | 15,21,554                     | 3,91,374                      |
| Donations (refer note 42)             | 1,48,00,000                   | -                             |
| Insurance expense                     | 8,54,157                      | -                             |
| Bank charges                          | 6,66,185                      | 1,60,705                      |
| Printing and stationery               | 3,84,515                      | -                             |
| Membership and subscription           | 9,24,837                      | -                             |
| Communication expenses                | 5,60,075                      | 1,09,945                      |
| Director sitting fees                 | 10,700                        | -                             |
| Miscellaneous expenses                | 10,01,421                     | 2,89,282                      |
|                                       | <b>16,63,66,699</b>           | <b>3,99,40,390</b>            |

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**22 Contingent Liabilities and commitments:**
**(In Rupees)**
**Capital Commitments:**

|                                                                                                | As at 31.03.2016     | As at 31.03.2015 |
|------------------------------------------------------------------------------------------------|----------------------|------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 4,60,000             | 16,10,000        |
| Undisbursed Commitment *                                                                       | 224,88,00,000        | -                |
|                                                                                                | <b>224,92,60,000</b> | <b>16,10,000</b> |

\*This disclosure is given pursuant to the notification no. DNBS.CC.PD.No.252/03.10.01/2011-12 dated 26th Dec, 2011 issued by Reserve Bank of India.

**23 Payment to Auditors: (Excluding service tax)**
**(In Rupees)**

|                                                             | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|-------------------------------------------------------------|-------------------------------|-------------------------------|
| Audit Fees                                                  | 9,00,000                      | 3,00,000                      |
| In any other manner (Certifications, limited reviews, etc.) | 3,45,000                      | -                             |
|                                                             | <b>12,45,000</b>              | <b>3,00,000</b>               |

**24 Employee Benefits:**
**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. 30,10,052/- (Previous year Rs. 8,20,419/-).

**Defined Benefit Plan: [Gratuity (Unfunded)]**

|                                                                       | As at 31.03.2016<br>(In Rupees) | As at 31.03.2015<br>(In 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                 | 32,21,409                       | 24,16,738                       |
| Net liability in the Balance Sheet                                    | 32,21,409                       | 24,16,738                       |

| <b>II. Movement in net liability recognised in the Balance Sheet</b> | <b>(In Rupees)</b> | <b>(In Rupees)</b> |
|----------------------------------------------------------------------|--------------------|--------------------|
| Net liability as at the beginning of the year                        | 24,16,738          | -                  |
| Net expense recognised in the Statement of Profit and Loss           | 5,42,579           | 5,71,667           |
| Liabilities assumed on acquisition / (settled on divestiture)        | 2,62,092           | 18,45,071          |
| Payments during the year                                             | -                  | -                  |
| Net liability as at the end of the year                              | 32,21,409          | 24,16,738          |

| <b>III. Expense recognised in the Statement of Profit and Loss (Under the head employee benefit expenses)</b> | <b>(In Rupees)</b> | <b>(In Rupees)</b> |
|---------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Current service cost                                                                                          | 2,94,702           | 72,343             |
| Interest cost                                                                                                 | 2,10,159           | 61,454             |
| Past service cost                                                                                             | -                  | 4,37,870           |
| Actuarial losses / (gains)                                                                                    | 37,718             | -                  |
| Expense charged to Statement of Profit and Loss                                                               | 5,42,579           | 5,71,667           |

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| <b>IV. Reconciliation of defined benefit commitments</b>      | <b>As at 31.03.2016<br/>(In Rupees)</b> | <b>As at 31.03.2016<br/>(In Rupees)</b> |
|---------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Commitments at the beginning of the year                      | 24,16,738                               | -                                       |
| Current service cost                                          | 2,94,702                                | 72,343                                  |
| Interest cost                                                 | 2,10,159                                | 61,454                                  |
| Past service cost                                             | -                                       | 4,37,870                                |
| Actuarial losses / (gains)                                    | 37,718                                  | -                                       |
| Liabilities assumed on acquisition / (settled on divestiture) | 2,62,092                                | 18,45,071                               |
| Benefits Paid                                                 | -                                       | -                                       |
| Commitments at the year end                                   | 32,21,409                               | 24,16,738                               |

| <b>V. Experience Adjustments</b>    | <b>31-Mar-12<br/>(In Rupees)</b> | <b>31-Mar-13<br/>(In Rupees)</b> | <b>31-Mar-14<br/>(In Rupees)</b> | <b>31-Mar-15<br/>(In Rupees)</b> | <b>31-Mar-16<br/>(In Rupees)</b> |
|-------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Defined benefit obligation          | -                                | -                                | -                                | 24,16,738                        | 32,21,409                        |
| Surplus / (Deficit)                 | -                                | -                                | -                                | (24,16,738)                      | -                                |
| Experience adj. on plan Liabilities | -                                | -                                | -                                | -                                | 20,916                           |

| <b>VI. Actuarial Assumptions</b>         | <b>As at 31.03.2016</b>                 | <b>As at 31.03.2015</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.

**25 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 (w.e.f. March 29, 2014)

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

JM Financial Limited (w.e.f. March 29, 2014)

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## JM FINANCIAL CREDIT SOLUTIONS LIMITED

**(B) Fellow Subsidiaries**

JM Financial Institutional Securities Limited  
 JM Financial Services Limited  
 JM Financial Products Limited  
 JM Financial Properties and Holdings Limited

**(C) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual:**

Mr. Nimesh Kampani  
 Mr. Vishal Kampani  
 Ms. Anishi Kampani

**(iii) Details of transactions with related parties**

| Name of the related party                               | Nature of relationship | As at 31.03.2016 (In Rupees) | As at 31.03.2015 (In Rupees) |
|---------------------------------------------------------|------------------------|------------------------------|------------------------------|
| <b>JM Financial Limited</b>                             |                        |                              |                              |
| Issue of Equity shares                                  | (A)                    | -                            | 344,40,00,000                |
| Loan taken                                              |                        | 145,00,00,000                | -                            |
| Loan repaid                                             |                        | -                            | 87,50,00,000                 |
| Interest paid                                           |                        | 2,86,98,082                  | 4,54,19,178                  |
| Support service charges                                 |                        | 1,80,00,000                  | 60,00,000                    |
| Reimbursement of employees expenses                     |                        | 61,22,544                    | 24,95,792                    |
| Closing balance as at the year end - (credit)           |                        | 145,00,00,000                | -                            |
| <b>JM Financial Properties and Holdings Limited</b>     | (B)                    |                              |                              |
| Space and related charges                               |                        | 1,24,85,989                  | 39,63,807                    |
| Reimbursement of expenses (paid)                        |                        | 27,14,823                    | 7,05,689                     |
| Security Deposits given                                 |                        | -                            | 1,43,01,000                  |
| Closing balance as at the year end - rent deposit given |                        | 1,43,01,000                  | 1,43,01,000                  |
| <b>JM Financial Services Limited</b>                    | (B)                    |                              |                              |
| Demat charges                                           |                        | 2,543                        | 1,697                        |
| Closing balance payable as at the year end              |                        | -                            | 1,697                        |
| <b>JM Financial Institutional Securities Limited</b>    | (B)                    |                              |                              |
| Transfer of gratuity                                    |                        | 2,62,092                     | -                            |
| Transfer of car loan                                    |                        | 7,65,562                     | -                            |
| Transfer of fixed assets (vehicles)                     |                        | 7,22,405                     | -                            |
| Reimbursement of expenses (paid)                        |                        | 1,27,949                     | 10,626                       |
| Closing balance payable as at the year end              |                        | -                            | -                            |

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| Name of the related party                           | Nature of relationship | As at 31.03.2016<br>(In Rupees) | As at 31.03.2015<br>(In Rupees) |
|-----------------------------------------------------|------------------------|---------------------------------|---------------------------------|
| <b>JM Financial Products Limited</b>                | (B)                    |                                 |                                 |
| Inter corporate deposits given                      |                        | -                               | 289,50,00,000                   |
| Inter corporate deposits received back              |                        | -                               | 289,50,00,000                   |
| Inter corporate deposits taken                      |                        | 250,50,00,000                   | 413,10,00,000                   |
| Inter corporate deposits repaid                     |                        | 250,50,00,000                   | 413,10,00,000                   |
| Interest expenses on inter corporate deposits taken |                        | 1,10,81,406                     | 71,34,011                       |
| Interest income on inter corporate deposits given   |                        | -                               | 30,66,945                       |
| Support service charges                             |                        | 6,56,70,000                     | -                               |
| Transfer of gratuity                                |                        | -                               | 18,45,071                       |
| Transfer of car loan                                |                        | -                               | 2,18,807                        |
| Transfer of fixed assets                            |                        | -                               | 5,59,559                        |
| Reimbursement of expenses (paid)                    |                        | 24,893                          | 6,93,297                        |
| Closing balance payable as at the year end          |                        | 6,89,70,000                     | -                               |
| <b>Amishi Kampani</b>                               | (C)                    |                                 |                                 |
| Remuneration                                        |                        | 66,81,663                       | 39,29,868                       |
| Contribution to provident fund                      |                        | 1,10,000                        | 36,800                          |
| Closing balance payable as at the year end          |                        | 61,00,000                       | 32,00,000                       |

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

25.2 The transactions disclosed above are exclusive of service tax.

## 26 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 |
|---------------------------------------------------|-------------------------------------------------------------|----------------------------------|---------------------------------------------|
|                                                   | (In Rupees)                                                 | (In Rupees)                      | (In Rupees)                                 |
| Not later than one year                           | 4,18,872<br>(1,77,421)                                      | 44,125<br>(16,520)               | 3,74,747<br>(1,60,901)                      |
| Later than one year and not later than five years | 89,812<br>(-)                                               | 1,727<br>(-)                     | 68,089<br>(-)                               |
| Later than five years                             | -<br>(-)                                                    | -<br>(-)                         | -<br>(-)                                    |
| <b>Total</b>                                      | <b>4,88,684</b><br><b>(1,77,421)</b>                        | <b>45,852</b><br><b>(16,520)</b> | <b>4,42,836</b><br><b>(1,60,901)</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 36 months to 48 months.

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

| Due                                               | Total minimum lease payments outstanding as at 31st March, 2016 | Total minimum lease payments outstanding as at 31st March, 2015 |
|---------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|
|                                                   | (In Rupees)                                                     | (In Rupees)                                                     |
| Not later than one year                           | 1,31,51,932                                                     | 1,35,45,992                                                     |
| Later than one year and not later than five years | 3,87,89,856                                                     | 5,65,06,996                                                     |
| Later than five years                             | -                                                               | -                                                               |
| <b>Total</b>                                      | <b>5,19,41,788</b>                                              | <b>7,00,52,988</b>                                              |

Lease payments recognised in the Statement of Profit and Loss for the current year are Rs. 1,50,59,137/- (Previous year Rs. 52,67,918/-).

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

| Particulars                                                                                                            | As at 31.03.2016 | As at 31.03.2015 |
|------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Profit for the year (Rupees)                                                                                           | 197,54,16,918    | 48,79,83,883     |
| Profit attributable to equity shareholders (Rupees)                                                                    | 197,54,16,918    | 48,79,83,883     |
| Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)   | 12,50,004        | 5,39,864         |
| Basic earnings per share (Rupees)                                                                                      | 1,580.33         | 903.90           |
| Dilutive potential equity shares (Nos.)                                                                                | 12,49,496        | 4,51,873         |
| Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.) | 24,99,500        | 9,91,737         |
| Diluted earnings per share (Rupees)                                                                                    | 790.32           | 492.05           |
| Nominal value per share (Rupees)                                                                                       | 10.00            | 10.00            |

28 Information pursuant to RBI Guidelines on Securitisation of standard assets dated February 1, 2006

| Sr No | Particulars                                                                                                                        | As at 31.03.2016 | As at 31.03.2015 |
|-------|------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| (i)   | Total Number of transactions wherein Loan assets securitized                                                                       | -                | -                |
| (ii)  | Total book value of loan assets securitised – Rupees                                                                               | -                | -                |
| (iii) | Total sales consideration received for the securitised assets – Rupees                                                             | -                | -                |
| (iv)  | Gain on sale on account of securitisation – Rupees                                                                                 | -                | -                |
| (v)   | Gain recognized in the Statement of Profit and Loss – Rupees                                                                       | -                | -                |
| (vi)  | Outstanding value of any services provided by way of credit enhancement, liquid support, post -securitisation asset servicing etc. | -                | -                |
|       |                                                                                                                                    | -                | -                |

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

29 Information pursuant to RBI Guidelines on Capital adequacy, liquidity and disclosure norms dated August 1, 2008 :-

(i) Capital risk adequacy ratio (CRAR):

| Particulars            | As at<br>31.03.2016 | As at<br>31.03.2015 |
|------------------------|---------------------|---------------------|
| <b>CRAR</b>            |                     |                     |
| CRAR - Tier I capital  | 26.81%              | 50.57%              |
| CRAR - Tier II capital | 0.29%               | 0.25%               |

(ii) Exposures:

A. Exposure to Real Estate Sector

|       | Category                                                                                                                                                                                                                                                                                                                                                                                     | As at<br>31.03.2016<br>(In Rupees) | As at<br>31.03.2015<br>(In Rupees) |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| a)    | <b>Direct Exposure</b>                                                                                                                                                                                                                                                                                                                                                                       |                                    |                                    |
| (i)   | <b>Residential Mortgages-</b><br>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)  | <b>Commercial Real Estate*-</b><br>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; | 3,961,46,64,048                    | 1,769,45,87,578                    |
| (iii) | <b>Investments in Mortgage Backed Securities (MBS) and other securitised exposures-</b><br>a) Residential,<br>b) Commercial Real Estate.                                                                                                                                                                                                                                                     |                                    |                                    |
| b)    | <b>Indirect Exposure</b><br>Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).                                                                                                                                                                                                                                                     | -                                  | -                                  |

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**B. Exposures to Capital Market**

|        | Category                                                                                                                                                                                                                                                                                                                                                      | As at<br>31.03.2016  | As at<br>31.03.2015 |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|
|        |                                                                                                                                                                                                                                                                                                                                                               | (In Rupees)          | (In Rupees)         |
| a)     | <b>Direct Exposure</b>                                                                                                                                                                                                                                                                                                                                        |                      |                     |
| (i)    | Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;                                                                                                                                                                    | -                    | -                   |
| (ii)   | Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;                                                                                                                    | -                    | -                   |
| (iii)  | Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;                                                                                                                                                                                           | 113,00,00,000        | 75,00,00,000        |
| (iv)   | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances; | -                    | -                   |
| (v)    | Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;                                                                                                                                                                                                                                             | -                    | -                   |
| (vi)   | Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;                                                                                                                             | -                    | -                   |
| (vii)  | Bridge loans to companies against expected equity flows / issues;                                                                                                                                                                                                                                                                                             | -                    | -                   |
| (viii) | All exposures to Venture Capital Funds (both registered and unregistered)                                                                                                                                                                                                                                                                                     | -                    | -                   |
|        | <b>Total exposure to Capital Market</b>                                                                                                                                                                                                                                                                                                                       | <b>113,00,00,000</b> | <b>75,00,00,000</b> |

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**iii. Asset Liability Management:**
**Maturity pattern of certain items of assets and liabilities:**

| Particulars              | 1 day to 30/31 days (one month) | Over one month to 2 months      | Over 2 months to 3 months     | Over 3 months to 6 months      | Over 6 months to 1 year           | Over 1 year to 3 years               | Over 3 years to 5 years          | Over 5 years         | Total                                |
|--------------------------|---------------------------------|---------------------------------|-------------------------------|--------------------------------|-----------------------------------|--------------------------------------|----------------------------------|----------------------|--------------------------------------|
| (In Rupees)              |                                 |                                 |                               |                                |                                   |                                      |                                  |                      |                                      |
| <b>Liabilities</b>       |                                 |                                 |                               |                                |                                   |                                      |                                  |                      |                                      |
| Borrowing from Banks     | -<br>(2,94,601)                 | -<br>(-)                        | 13,33,33,333<br>(-)           | 28,33,33,333<br>(-)            | 228,58,62,749<br>(50,00,00,000)   | 795,25,59,490<br>(65,00,00,000)      | 275,80,93,140<br>(-)             | -<br>(-)             | 1,341,31,82,045<br>(115,02,94,601)   |
| <b>Market Borrowings</b> | 29,135<br>(199,11,85,234)       | 73,92,74,500<br>(444,85,18,288) | 194,03,08,073<br>(15,436)     | 145,34,35,476<br>(47,833)      | 328,46,43,895<br>(91,91,65,824)   | 788,00,68,089<br>(50,00,00,000)      | 67,90,00,000<br>(-)              | 30,00,00,000<br>(-)  | 1,627,67,59,168<br>(785,89,32,615)   |
| <b>Assets</b>            |                                 |                                 |                               |                                |                                   |                                      |                                  |                      |                                      |
| Advances                 | 66,62,28,689<br>(6,97,86,917)   | 11,00,92,732<br>(10,59,65,329)  | 80,96,44,588<br>(8,41,75,178) | 62,67,52,000<br>(38,06,92,579) | 558,28,72,426<br>(1,20,22,70,205) | 3,097,73,83,525<br>(15,42,31,28,065) | 79,70,01,000<br>(1,22,23,15,558) | 140,01,10,990<br>(-) | 4,097,00,85,950<br>(18,48,83,33,831) |

**Notes:**

- Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.
- Figures in brackets are for previous year.

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

**30** 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):-

| <b>(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b> |                                                                           |                                       |                                   |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------|-----------------------------------|
| <b>Particulars</b>                                                                                                             |                                                                           |                                       |                                   |
| <b>Liabilities side</b>                                                                                                        |                                                                           | <b>Amount outstanding (In Rupees)</b> | <b>Amount overdue (In Rupees)</b> |
| (a)                                                                                                                            | Debentures                                                                |                                       |                                   |
|                                                                                                                                | (i) Secured                                                               | 992,66,66,811<br>(50,09,49,315)       | -<br>(-)                          |
|                                                                                                                                | (ii) Unsecured (other than falling within the meaning of public deposits) | -                                     | -                                 |
|                                                                                                                                |                                                                           | (-)                                   | (-)                               |
| (b)                                                                                                                            | Deferred Credits                                                          | -                                     | -                                 |
|                                                                                                                                |                                                                           | (-)                                   | (-)                               |
| (c)                                                                                                                            | Term Loans                                                                | 1,219,18,80,511<br>(65,01,91,439)     | -<br>(-)                          |
| (d)                                                                                                                            | Inter-corporate loans and borrowing                                       | 145,00,00,000                         | -                                 |
|                                                                                                                                |                                                                           | -                                     | -                                 |
| (e)                                                                                                                            | Commercial Paper                                                          | 521,73,16,332<br>(735,87,71,715)      | -<br>(-)                          |
| (f)                                                                                                                            | Other Loans (Please Specify)                                              |                                       |                                   |
|                                                                                                                                | Working Capital Loan                                                      | 10,04,90,684                          | -                                 |
|                                                                                                                                |                                                                           | (-)                                   | (-)                               |
|                                                                                                                                | Cash Credits                                                              | 141,69,22,109<br>(50,02,94,601)       | -<br>(-)                          |
|                                                                                                                                | Due under finance lease                                                   | 4,42,836                              | -                                 |
|                                                                                                                                |                                                                           | (1,60,901)                            | (-)                               |

| <b>(2) Break up of Loans and Advances including bills receivables (other than those included in (4) below):</b> |           |                                       |
|-----------------------------------------------------------------------------------------------------------------|-----------|---------------------------------------|
| <b>Particulars</b>                                                                                              |           |                                       |
| <b>Assets side</b>                                                                                              |           | <b>Amount outstanding (In Rupees)</b> |
| (a)                                                                                                             | Secured   | 3,989,46,64,048<br>(1,844,45,87,578)  |
| (b)                                                                                                             | Unsecured | 85,00,00,000<br>(-)                   |

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| <b>(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:</b> |                                                            |                                       |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------------------|
|                                                                                                          | <b>Particulars</b>                                         |                                       |
|                                                                                                          | <b>Assets side</b>                                         | <b>Amount outstanding (In Rupees)</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                                         | -                                     |
|                                                                                                          |                                                            | (-)                                   |
| (iii)                                                                                                    | Other loans counting towards AFC activities:               |                                       |
|                                                                                                          | (a) Loans where assets have been repossessed               | -                                     |
|                                                                                                          |                                                            | (-)                                   |
|                                                                                                          | (b) Loans other than (a) above                             | -                                     |
|                                                                                                          |                                                            | (-)                                   |

| <b>(4) Break – up of Investments:</b> |                             |                                       |
|---------------------------------------|-----------------------------|---------------------------------------|
|                                       | <b>Particulars</b>          |                                       |
|                                       |                             | <b>Amount outstanding (In Rupees)</b> |
|                                       | Current Investments:        |                                       |
|                                       | 1. Quoted:                  |                                       |
|                                       | (i) Shares:                 |                                       |
|                                       | (a) Equity                  | -                                     |
|                                       | (b) Preference              | -                                     |
|                                       | (ii) Debentures and Bonds   | -                                     |
|                                       |                             | (-)                                   |
|                                       | (iii) Units of Mutual Funds | -                                     |
|                                       |                             | (-)                                   |
|                                       | (iv) Government Securities  | -                                     |
|                                       |                             | (-)                                   |
|                                       | (v) Others (Please Specify) | -                                     |
|                                       | 2. Unquoted:                |                                       |
|                                       | (i) Shares:                 |                                       |
|                                       | (a) Equity                  | -                                     |
|                                       | (b) Preference              | -                                     |
|                                       |                             | (-)                                   |
|                                       | (ii) Debentures and Bonds   | -                                     |
|                                       |                             | (-)                                   |
|                                       | (iii) Units of Mutual Funds | -                                     |
|                                       |                             | (-)                                   |
|                                       | (iv) Government Securities  | -                                     |
|                                       |                             | (-)                                   |
|                                       | (v) Others (Please Specify) | -                                     |
|                                       |                             | (-)                                   |

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

| <b>(5) Borrower group – wise classification of assets financed as in (2) and (3) above:</b> |                                                  |                                   |                                  |                              |
|---------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------|----------------------------------|------------------------------|
|                                                                                             |                                                  | <b>Amount (net of provisions)</b> |                                  |                              |
|                                                                                             | <b>Category</b>                                  | <b>Secured<br/>(In Rupees)</b>    | <b>Unsecured<br/>(In Rupees)</b> | <b>Total<br/>(In Rupees)</b> |
| 1)                                                                                          | <b>Related Parties</b>                           |                                   |                                  |                              |
|                                                                                             | (a) Subsidiaries                                 | -                                 | -                                | -                            |
|                                                                                             |                                                  | (-)                               | (-)                              | (-)                          |
|                                                                                             | (b) Companies in the same group                  | -                                 | -                                | -                            |
|                                                                                             |                                                  | (-)                               | (-)                              | (-)                          |
|                                                                                             | (c) Other related parties                        | -                                 | -                                | -                            |
|                                                                                             |                                                  | (-)                               | (-)                              | (-)                          |
| 2)                                                                                          | <b>Other than related parties</b>                | 3,989,46,64,048                   | 85,00,00,000                     | 4,074,46,64,048              |
|                                                                                             |                                                  | (1,844,45,87,578)                 | -                                | (1,844,45,87,578)            |
|                                                                                             |                                                  | <b>3,989,46,64,048</b>            | <b>85,00,00,000</b>              | <b>4,074,46,64,048</b>       |
|                                                                                             |                                                  | (1,844,45,87,578)                 | (-)                              | (1,844,45,87,578)            |
|                                                                                             | <b>Less: Provision for non-performing assets</b> | -                                 | -                                | -                            |
|                                                                                             |                                                  | (-)                               | (-)                              | (-)                          |
|                                                                                             |                                                  | <b>3,989,46,64,048</b>            | <b>85,00,00,000</b>              | <b>4,074,46,64,048</b>       |
|                                                                                             |                                                  | (1,844,45,87,578)                 | (-)                              | (1,844,45,87,578)            |

| <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/<br/>Breakup or fair<br/>value or NAV<br/>(In Rupees)</b> | <b>Book Value<br/>(Net of<br/>Provisions)<br/>(In Rupees)</b> |
| 1)                                                                                                                                            | <b>Related Parties</b>            |                                                                           |                                                               |
|                                                                                                                                               | (a) Subsidiaries                  | -                                                                         | -                                                             |
|                                                                                                                                               |                                   | (-)                                                                       | (-)                                                           |
|                                                                                                                                               | (b) Companies in the same group   | -                                                                         | -                                                             |
|                                                                                                                                               |                                   | (-)                                                                       | (-)                                                           |
|                                                                                                                                               | (c) Other related parties         | -                                                                         | -                                                             |
|                                                                                                                                               |                                   | (-)                                                                       | (-)                                                           |
| 2)                                                                                                                                            | <b>Other than related parties</b> | -                                                                         | -                                                             |
|                                                                                                                                               |                                   | (-)                                                                       | (-)                                                           |
|                                                                                                                                               |                                   | -                                                                         | -                                                             |
|                                                                                                                                               |                                   | (-)                                                                       | (-)                                                           |

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

| (7) <b>Other Information:</b> |                                         |                               |
|-------------------------------|-----------------------------------------|-------------------------------|
|                               | <b>Particulars</b>                      | <b>Amount<br/>(In Rupees)</b> |
| (i)                           | Gross Non – Performing Assets           |                               |
|                               | (a) Related Parties                     | -                             |
|                               |                                         | (-)                           |
|                               | (b) Other than related parties          | -                             |
|                               |                                         | (-)                           |
| (ii)                          | Net Non – Performing Assets             |                               |
|                               | (a) Related Parties                     | -                             |
|                               |                                         | (-)                           |
|                               | (b) Other than related parties          | -                             |
|                               |                                         | (-)                           |
| (iii)                         | Assets acquired in satisfaction of debt | -                             |
|                               |                                         | (-)                           |

(Figures in brackets indicates previous year figures)

**31** There are no restructured advance as on March 31, 2016, 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.

**32 Investments**

|       | <b>Particulars</b>                                                     | <b>As at<br/>31.03.2016<br/>(In Rupees)</b> | <b>As at<br/>31.03.2015<br/>(In Rupees)</b> |
|-------|------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| (a)   | <b>Value of Investments</b>                                            |                                             |                                             |
| (i)   | Gross Value of Investments                                             |                                             |                                             |
|       | (a) in India                                                           | -                                           | -                                           |
|       | (b) Outside India                                                      | -                                           | -                                           |
| (ii)  | Provision for depreciation                                             |                                             |                                             |
|       | (a) in India                                                           | -                                           | -                                           |
|       | (b) Outside India                                                      | -                                           | -                                           |
| (iii) | Net Value of Investments                                               |                                             |                                             |
|       | (a) in India                                                           | -                                           | -                                           |
|       | (b) Outside India                                                      | -                                           | -                                           |
| (b)   | <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                                                        | -                                           | -                                           |

**33. 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

| Particulars | As at<br>31.03.2016<br>(In Rupees) | As at<br>31.03.2015<br>(In Rupees) |
|-------------|------------------------------------|------------------------------------|
|             | Nil                                | Nil                                |

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

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

## (IV) Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties

## (V) Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties

| Particulars                               | As at<br>31.03.2016<br>(In Rupees) | As at<br>31.03.2015<br>(In Rupees) |
|-------------------------------------------|------------------------------------|------------------------------------|
| Premium utilised for share issue expenses | -                                  | 57,92,785                          |

## 34 Ratings assigned by credit rating agencies and migration of ratings during the year:

|       |                            | As at<br>31.03.2016 | As at<br>31.03.2015   |
|-------|----------------------------|---------------------|-----------------------|
|       | <b>ICRA Limited</b>        |                     |                       |
| (i)   | Commercial Paper programme | [ICRA]A1+           | [ICRA]A1+             |
| (ii)  | Bank loan facility         | [ICRA]AA            | [ICRA]AA-<br>(stable) |
| (iii) | Non-Convertible Debentures | [ICRA]AA            | [ICRA]AA-<br>(stable) |
|       | <b>CRISIL Limited</b>      |                     |                       |
| (i)   | Commercial Paper programme | CRISIL A1+          | -                     |
| (ii)  | Bank loan facility         | CRISIL<br>AA/stable | -                     |
| (iii) | Non-Convertible Debentures | CRISIL<br>AA/stable | -                     |
|       | <b>India Rating</b>        |                     |                       |
| (i)   | Commercial Paper programme | IND A1+             | -                     |
| (ii)  | Bank loan facility         | IND AA/Stable       | -                     |
| (iii) | Non-Convertible Debentures | IND AA/Stable       | -                     |

## 35 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

|                                                                        | For the year<br>31.03.2016<br>(In Rupees) | For the year<br>31.03.2015<br>(In Rupees) |
|------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Provisions for depreciation on Investment                              | -                                         | -                                         |
| Provision towards NPA                                                  | -                                         | -                                         |
| Provision made towards Income tax (including excess provision for tax) | 108,16,80,321                             | 24,67,00,000                              |
| Other Provision and Contingencies (with details)                       | -                                         | -                                         |
| Provision for Standard Assets                                          | 7,67,00,000                               | 4,39,27,178                               |

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**36 Concentration of Deposits, Advances and Exposures and NPAs:**
**Concentration of Deposits (for deposit taking NBFCs)**

|                                                                                   | As at<br>31.03.2016 | As at<br>31.03.2015 |
|-----------------------------------------------------------------------------------|---------------------|---------------------|
| Total Deposits of twenty largest depositors                                       | NA                  | NA                  |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC | NA                  | NA                  |

**Concentration of Advances**

|                                                                                               | As at<br>31.03.2016 | As at<br>31.03.2015 |
|-----------------------------------------------------------------------------------------------|---------------------|---------------------|
| Total Advances to twenty largest borrowers (group wise) – (In Rupees)                         | 2,314,67,95,257     | 1,596,09,54,866     |
| Percentage of Advances to twenty largest borrowers (group wise) to total Advances of the NBFC | 56.81%              | 86.53%              |

**Concentration of Exposures**

|                                                                                                                        | As at<br>31.03.2016 | As at<br>31.03.2015 |
|------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Total Exposure to twenty largest borrowers / customers – (In Rupees)                                                   | 2,324,73,07,995     | 1,598,00,78,433     |
| Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers | 56.82%              | 86.52%              |

**Concentration of NPAs**

|                                         | As at<br>31.03.2016 | As at<br>31.03.2015 |
|-----------------------------------------|---------------------|---------------------|
| Total exposure to top four NPA accounts | Nil                 | Nil                 |

**Sector-wise NPAs**

|                                 | As at<br>31.03.2016 | As at<br>31.03.2015 |
|---------------------------------|---------------------|---------------------|
| Agriculture & allied activities | Nil                 | Nil                 |
| MSME                            | Nil                 | Nil                 |
| Corporate borrowers             | Nil                 | Nil                 |
| Services                        | Nil                 | Nil                 |
| Unsecured personal loans        | Nil                 | Nil                 |
| Auto loans                      | Nil                 | Nil                 |
| Other personal loans            | Nil                 | Nil                 |
| Other loans                     | Nil                 | Nil                 |

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**37 Movement of NPAs:**

|                                                                                  | As at<br>31.03.2016 | As at<br>31.03.2015 |
|----------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Net NPAs to Net Advances (%)</b>                                              |                     |                     |
| <b>Movement of NPAs (Gross)</b>                                                  |                     |                     |
| (a) Opening balance                                                              | -                   | -                   |
| (b) Additions during the year                                                    | -                   | -                   |
| (c) Reductions during the year                                                   | -                   | -                   |
| (d) Closing balance                                                              | -                   | -                   |
| <b>Movement of Net NPAs</b>                                                      |                     |                     |
| (a) Opening balance                                                              | -                   | -                   |
| (b) Additions during the year                                                    | -                   | -                   |
| (c) Reductions during the year                                                   | -                   | -                   |
| (d) Closing balance                                                              | -                   | -                   |
| <b>Movement of provisions for NPAs (excluding provisions on standard assets)</b> |                     |                     |
| (a) Opening balance                                                              | -                   | -                   |
| (b) Provisions made during the year*                                             | -                   | -                   |
| (c) Write-off / write-back of excess provisions                                  | -                   | -                   |
| (d) Closing balance                                                              | -                   | -                   |

**38 Disclosures of Complaints**
**Complaints**

| Particulars                                            | As at<br>31.03.2016 | As at<br>31.03.2015 |
|--------------------------------------------------------|---------------------|---------------------|
| No. of complaints pending at the beginning of the year | -                   | -                   |
| No. of complaints received during the year             | -                   | -                   |
| No. of complaints redressed during the year            | -                   | -                   |
| No. of complaints pending at the end of the year       | -                   | -                   |

**39** 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.

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**40 Employee Stock Option Scheme:**

JM Financial Limited granted the Stock Options to the eligible employees and/or directors (the Employees) of JM Financial Limited and its subsidiaries. Out of the total number of Options granted by JM Financial Limited, the following Stock Options pertain to the employees of the Company.

|                |                       |
|----------------|-----------------------|
| April 16, 2012 | 333,333 Stock Options |
| May 06, 2013   | 339,099 Stock Options |
| April 01, 2014 | 518,394 Stock Options |

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

| Vesting Date     | Series       | No. of Stock Options | Status       | Exercise Period                    | Exercise Price per Option (In Rupees) |
|------------------|--------------|----------------------|--------------|------------------------------------|---------------------------------------|
| 16th April, 2013 | Series - V   | 1,11,111             | Vested       | Seven years from the date of Grant | 1                                     |
| 16th April, 2014 | Series - V   | 1,11,111             | Vested       | Seven years from the date of Grant | 1                                     |
| 16th April, 2015 | Series - V   | 1,11,111             | Vested       | Seven years from the date of Grant | 1                                     |
| 6th May, 2014    | Series - VI  | 1,13,033             | Vested       | Seven years from the date of Grant | 1                                     |
| 6th May, 2015    | Series - VI  | 1,13,033             | Vested       | Seven years from the date of Grant | 1                                     |
| 6th May, 2016    | Series - VI  | 1,13,033             | To be vested | Seven years from the date of Grant | 1                                     |
| 1st April, 2015  | Series - VII | 1,69,332             | Vested       | Seven years from the date of Grant | 1                                     |
| 1st April, 2016  | Series - VII | 1,74,531             | To be vested | Seven years from the date of Grant | 1                                     |
| 1st April, 2017  | Series - VII | 1,74,531             | To be vested | Seven years from the date of Grant | 1                                     |

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

| Particulars                              | Number of outstanding options |               |
|------------------------------------------|-------------------------------|---------------|
|                                          | Current year                  | Previous year |
| Outstanding at the beginning of the year | 8,45,173                      | -             |
| Granted during the year                  | -                             | -             |
| Transfer in during the year              | 10,398                        | 11,80,428     |
| Lapsed/ forfeited during the year        | -                             | -             |
| Exercised during the year                | 3,93,476                      | 3,35,255      |
| Outstanding at the end of the year       | 4,62,095                      | 8,45,173      |
| Exercisable at the end of the year       | 3,466                         | -             |

The charge on account of the above scheme is included in employee benefit expense aggregating Rs. 61,22,544/- (Previous year Rs.24,95,792/-). Since the options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

- 41 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:

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

(In Rupees)

| Name of the company           | Relationship      | Maximum Balance | Closing Balance |
|-------------------------------|-------------------|-----------------|-----------------|
| JM Financial Products Limited | Fellow Subsidiary | -               | -               |
|                               |                   | (130,00,00,000) | (-)             |

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

- 42 Expenses 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 48,00,000 (Previous year Rs. Nil)  
(b) Amount spent and paid during the year by way of donation to charitable trusts – Rs 1,00,00,000 (Previous year Rs. Nil)
- 43 The main business of the Company is in India to provide loans. All other activities of the Company revolve around the main business and accordingly there are no separate reportable segments, as per the Accounting Standard on 'Segment reporting' (AS 17) issued by the Institute of Chartered Accountant of India.
- 44 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*

**Vishal Kampani**  
Vice Chairman  
DIN – 00009079

*Harisharan Aliyar*

**Harisharan Aliyar**  
Vice Chairman  
DIN – 01374306



*Shashwat Belapurkar*

**Shashwat Belapurkar**  
Chief Executive Officer

*Gagan Kothari*

**Gagan Kothari**  
Chief Financial Officer

*Hemant Pandya*

**Hemant Pandya**  
Company Secretary

Place: Mumbai  
Date: May 12, 2016

**CASH FLOW STATEMENT**

|          | Particulars                                                       | For the<br>year ended           | For the<br>year ended           |
|----------|-------------------------------------------------------------------|---------------------------------|---------------------------------|
|          |                                                                   | As at 31.03.2016<br>(In Rupees) | As at 31.03.2015<br>(In Rupees) |
| <b>A</b> | <b>Cash flow from operating activities</b>                        |                                 |                                 |
|          | Profit before tax                                                 | 301,71,51,884                   | 70,22,19,876                    |
|          | <b>Adjustment for:</b>                                            |                                 |                                 |
|          | Depreciation                                                      | 8,98,996                        | 1,56,036                        |
|          | Profit on sale of investments (net)                               | (6,13,072)                      | -                               |
|          | Provision for gratuity                                            | 5,42,579                        | 5,71,667                        |
|          | Provision for compensated absences                                | 4,83,659                        | 23,01,557                       |
|          | Provision for standard assets                                     | 7,67,00,000                     | 4,39,27,178                     |
|          | Interest on income tax refund                                     | (5,36,578)                      | -                               |
|          | Interest on fixed deposits                                        | (10,83,701)                     | (19,31,244)                     |
|          | Interest expenses - others                                        | 1,35,728                        | 12,494                          |
|          | Profit on sale of assets                                          | -                               | (5,74,04,731)                   |
|          | Dividend income                                                   | (46,16,974)                     | (3,65,82,002)                   |
|          | <b>Operating profit before working capital changes</b>            | <b>308,90,62,521</b>            | <b>65,32,70,831</b>             |
|          | Adjustment for:                                                   |                                 |                                 |
|          | Increase in long-term loans and advances and other current assets | (2,247,94,22,022)               | (1,756,54,89,025)               |
|          | Increase in trade payables and other liabilities                  | 76,12,32,334                    | 9,56,91,764                     |
|          | Increase in Provisions                                            | 2,62,092                        | 18,45,071                       |
|          | <b>Cash (used in) operations</b>                                  | <b>(1,862,88,65,075)</b>        | <b>(1,681,46,81,359)</b>        |
|          | Direct taxes paid                                                 | (106,78,81,797)                 | (23,98,97,714)                  |
|          | <b>Net cash (used in) operating activities</b>                    | <b>(1,969,67,46,872)</b>        | <b>(1,705,45,79,073)</b>        |
| <b>B</b> | <b>Cash flow from investing activities</b>                        |                                 |                                 |
|          | Purchase of current investments – Others                          | (1,677,27,50,000)               | (1,673,33,22,001)               |
|          | Sale of current investments – Others                              | 1,677,33,63,072                 | 1,673,33,22,001                 |
|          | Purchase of fixed assets                                          | (26,97,370)                     | (14,37,193)                     |
|          | Sale of fixed assets                                              | -                               | 5,83,75,464                     |
|          | Increase in other bank balances                                   | 25,00,000                       | (25,00,000)                     |
|          | Interest received on Bank Deposits                                | 7,29,338                        | 18,68,696                       |
|          | Dividend Income                                                   | 46,16,974                       | 3,65,82,001                     |
|          | <b>Net cash from investment activities</b>                        | <b>57,62,014</b>                | <b>9,28,88,968</b>              |

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# JM FINANCIAL CREDIT SOLUTIONS LIMITED

|          | Particulars                                              | For the year ended              | For the year ended              |
|----------|----------------------------------------------------------|---------------------------------|---------------------------------|
|          |                                                          | As at 31.03.2016<br>(In Rupees) | As at 31.03.2015<br>(In Rupees) |
| <b>C</b> | <b>Cash flow from financing activities</b>               |                                 |                                 |
|          | Proceeds from issue of share capital - Equity/Preference | -                               | 884,18,40,000                   |
|          | Share issue expenses                                     | -                               | (88,41,841)                     |
|          | Interest paid                                            | (1,35,728)                      | (12,494)                        |
|          | Proceeds from long-term borrowings                       | 2,035,90,54,052                 | 115,00,00,000                   |
|          | Proceeds from short-term borrowings                      | 5,310,89,72,335                 | 1,199,00,66,315                 |
|          | Repayment of short-term borrowings                       | (5,278,75,26,237)               | (500,60,00,000)                 |
|          | <b>Net cash from financing activities</b>                | <b>2,068,03,64,422</b>          | <b>1,696,70,51,980</b>          |
|          | Net increase in Cash and cash equivalents                | 98,93,79,564                    | 53,61,875                       |
|          | Cash and cash equivalents at the beginning of the year   | 2,92,53,291                     | 2,38,91,416                     |
|          | <b>Cash and cash equivalents at the end of the year</b>  | <b>101,86,32,855</b>            | <b>2,92,53,291</b>              |

## Reconciliation of cash and cash equivalents:

|  | Particulars                          | For the year ended              | For the year ended              |
|--|--------------------------------------|---------------------------------|---------------------------------|
|  |                                      | As at 31.03.2016<br>(In Rupees) | As at 31.03.2015<br>(In Rupees) |
|  | As per Balance Sheet - Note 13       | 101,86,32,855                   | 3,17,53,291                     |
|  | Less: Balances with banks in deposit | -                               | 25,00,000                       |
|  |                                      | <b>101,86,32,855</b>            | <b>2,92,53,291</b>              |

## Notes

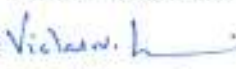
- The cash flow statement has been prepared under the 'Indirect Method' set out in AS 3 - "Cash Flow Statement" notified in Companies (Accounting standards) Rules, 2006 (as amended).
- Previous year's figures have been regrouped and rearranged wherever necessary

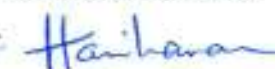
In terms of our report attached

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

Registration No. 117366WW-100018

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

  
**Vishal Kampani**  
Vice Chairman  
DIN - 00009079

  
**Hariharan Aiyar**  
Vice Chairman  
DIN - 01374306





**Abhijit A. Damle**  
Partner  
Membership No. 102912  
Place: Mumbai  
Date: May 12, 2016

  
**Shashwat Belapurkar**  
Chief Executive Officer

  
**Gagan Kothari**  
Chief Financial Officer

  
**Hemant Pandya**  
Company Secretary

# 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

**AD/PR/3361/1**

To,

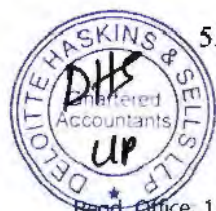
**The Board of Directors,**

JM Financial Credit Solutions Limited (Formerly known as FICS Consultancy Services Limited)  
7<sup>th</sup> Floor, Cynergy , Appasaheb Marathe Marg, Prabhadevi  
Mumbai - 400025

Dear Sirs,

As required under the Reserve Bank of India's Notification No. DNBS.201 /DG (VL) – 2008 dated 18<sup>th</sup> September, 2008, on the basis of our audit of the books of account and other records of the JM Financial Credit Solutions Limited (Formerly known as FICS Consultancy Services Limited) ("Company") for the year ended 31<sup>st</sup> March, 2015 in accordance with the Generally Accepted Auditing Standards and according to the information, explanations and representations given to us by the Management, we report as follows in terms of paragraphs 3 and 4 of the Notification:

1. The Company is engaged in the business of Non-Banking Financial Institution as defined in Section 45 I (a) of the Reserve Bank of India Act, 1934 and has obtained Certificate of Registration (CoR) bearing No. B-13.01681 dated 27<sup>th</sup> August, 2003 from the Reserve Bank of India ("the RBI").
2. The Company is entitled to continue to hold the CoR based on its asset / income pattern as on 31<sup>st</sup> March, 2015, which has been computed in the manner laid down in the RBI Circular No. DNBS (PD) C.C. NO. 81 / 03.05.002 /2006-07 dated 19<sup>th</sup> October, 2006.
3. The Board of Directors has passed a resolution on 23<sup>rd</sup> April, 2014 for non-acceptance of public deposits.
4. The Company has not accepted any public deposit during the year.
5. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.



Regd. Office: 12, Dr Annie Besant Road, Opp. Shri 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

6. The Capital Adequacy Ratio (CRAR) of the Company as on 31<sup>st</sup> March, 2015 has been correctly computed. The said ratio is in compliance with the minimum CRAR of 15% as prescribed by the RBI.
7. Since the company was Non Systematically Important NBFC in the previous year, therefore it was not required to submit the annual statement of capital funds, risk assets / exposures and risk asset ratio (NBS-7) to the RBI .

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



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

**Camp-Beijing, 19<sup>th</sup> May, 2015**

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF JM FINANCIAL CREDIT SOLUTIONS LIMITED  
(formerly known as FICS Consultancy Services Limited)**

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of JM Financial Credit Solutions Limited (formerly known as FICS Consultancy Services 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 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 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.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



4. An audit involves performing procedures to obtain audit evidence about the amounts and 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 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**

7. 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 the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by Section 143(3) of the Act, we 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 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 litigation which would impact its financial position.
  - ii. the Company does not have any long-term contract including derivative contract for which provision would be required for material foreseeable losses.
  - iii. there are no amounts as at 31<sup>st</sup> March, 2015 which need 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)



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

Camp-Beijing, 19<sup>th</sup> May, 2015

**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, we report as under:

- (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) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) There are no inventories held by the company at any point of time during the year and hence this clause is not applicable on the company
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) 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 with regard to purchases of fixed assets and the sale of services. There has been no purchase of inventory and sale of goods during the year. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) The company has not accepted any deposits during the year and as such the clause is not applicable on the company
- (vi) The requirement of maintenance of cost records is not applicable to the company
- (vii) Based on the records of the Company examined by us, in respect of statutory and other dues:
  - (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, and other material statutory dues applicable to it with the appropriate authorities. Employees' State Insurance, Wealth Tax and Cess are not applicable on the Company. There were no arrears in respect of said statutory dues as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they become payable.
  - (b) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes.
  - (c) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.



**Deloitte  
Haskins & Sells LLP**

- (viii) The company does not have any accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) The company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders
- (x) According to the information and explanations given to us, the Company has not given guarantees 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 for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no material fraud by or 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)



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

**Camp-Beijing, 19<sup>th</sup> May, 2015**



**JM FINANCIAL CREDIT SOLUTIONS  
LIMITED**

**Financial Statements**

**Financial Year 2014 - 2015**

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**  
Formerly known as FICS Consultancy Services Limited  
**BALANCE SHEET AS AT MARCH 31, 2015**

|            |                                   | Note No. | As at 31.03.2015       | As at 31.03.2014    |
|------------|-----------------------------------|----------|------------------------|---------------------|
| <b>I.</b>  | <b>EQUITY AND LIABILITIES</b>     |          |                        |                     |
| <b>1</b>   | <b>Shareholders' funds</b>        |          |                        |                     |
|            | Share capital                     | 2        | 2,49,95,000            | 5,00,000            |
|            | Reserves and surplus              | 3        | 935,97,80,293          | 6,02,44,195         |
|            |                                   |          | <b>938,47,75,293</b>   | <b>6,07,44,195</b>  |
| <b>2</b>   | <b>Non-current liabilities</b>    |          |                        |                     |
|            | Long-term borrowings              | 4        | 115,00,00,000          | -                   |
|            | Long-term Provisions              | 5        | 4,84,47,832            | 22,72,822           |
|            |                                   |          | <b>119,84,47,832</b>   | <b>22,72,822</b>    |
| <b>3</b>   | <b>Current liabilities</b>        |          |                        |                     |
|            | Short-term borrowings             | 6        | 785,90,66,316          | 87,50,00,000        |
|            | Trade payables                    | 7        | 48,68,169              | 30,708              |
|            | Other current liabilities         | 8        | 9,87,39,345            | 78,85,042           |
|            | Short-term provisions             | 9        | 1,10,42,827            | 17,70,078           |
|            |                                   |          | <b>797,37,16,657</b>   | <b>88,46,85,828</b> |
|            |                                   |          | <b>1,855,69,39,782</b> | <b>94,77,02,845</b> |
| <b>II.</b> | <b>ASSETS</b>                     |          |                        |                     |
| <b>1</b>   | <b>Non-current assets</b>         |          |                        |                     |
|            | Fixed assets                      | 10       |                        |                     |
|            | Tangible assets                   |          | 12,83,305              | 9,72,881            |
|            | Deferred tax assets (net)         | 11       | 3,55,13,063            | -                   |
|            | Long-term loans and advances      | 12       | 1,663,18,75,262        | 90,24,90,188        |
|            |                                   |          | <b>1,666,86,71,630</b> | <b>90,34,63,069</b> |
| <b>2</b>   | <b>Current assets</b>             |          |                        |                     |
|            | Cash and bank balances            | 13       | 3,17,53,291            | 2,38,91,416         |
|            | Short-term loans and advances     | 14       | 185,64,58,568          | 2,03,37,264         |
|            | Other current assets              | 15       | 56,293                 | 11,096              |
|            |                                   |          | <b>188,82,68,152</b>   | <b>4,42,39,776</b>  |
|            |                                   |          | <b>1,855,69,39,782</b> | <b>94,77,02,845</b> |
|            | Notes to the financial statements | 1 to 37  |                        |                     |

In terms of our report attached

For and on behalf of the Board of Directors

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



**Abhijit A. Damle**  
Partner  
Membership No. 102912  
Camp-Beijing  
Date : May 19, 2015



**Vishal Kampani**  
Director  
DIN - 00009079

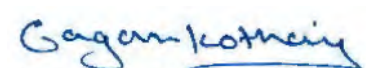


**Shashwat Belapurkar**  
Chief Executive Officer

Mumbai **May 19, 2015**



**Hariharan Aiyar**  
Director  
DIN - 01374306



**Gagan Kothari**  
Chief Financial Officer

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**  
Formerly known as FICS Consultancy Services Limited

**1. Significant Accounting Policies**

**1. 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 and the circulars and guidance issued by Reserve Bank of India from time to time . The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in preparation of financial statements are consistent with those followed in previous year.

**2. Current / Non-current classification of assets / liabilities**

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non-current.

**3. Use of estimates**

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles which require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialised

**4. Fixed Assets**

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

**Depreciation**

Depreciation on fixed assets is provided on the straight line method at the following rates:

| <b>Assets</b>          | <b>Useful Life</b> |
|------------------------|--------------------|
| Vehicles               | 5 years            |
| Computers              | 3 years            |
| Servers and Networks   | 6 years            |
| Office Equipment       | 5 years            |
| Office Premises        | 60 years           |
| Furniture and Fixtures | 10 years           |

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

Assets taken on finance lease are depreciated over a period of lease.

**Intangible Assets**

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.



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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**  
**Formerly known as FICS Consultancy Services Limited**

**(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.

**10. 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 recognized in the Statement of Profit and Loss in the period they occur.

**11. 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.

**12. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**13. 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 CREDIT SOLUTIONS LIMITED**  
**Formerly known as FICS Consultancy Services Limited**

**2.3 Terms and rights attached to each class of shares:**

**Equity Shares:**

The Company has only one class of shares referred to as equity shares having a face value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders.

**Compulsory Convertible Preference Shares (CCPS):**

**Right to Rank Prior to Equity Shares:**

The CCPS shall rank prior to the equity shares of the Company (the equity shares) for the purpose of dividend, liquidation, dissolution or winding up of the Company, subject to the provisions of the Act, as amended from time to time.

**Voting rights:**

The holders of the CCPS shall be entitled to voting rights only in respect of those resolutions placed before the Company which directly affect the rights attached to the CCPS

**Dividend:**

The rate of dividend in respect of CCPS shall be 0.00001% per annum of the face value of the CCPS on non-cumulative basis.

The CCPS shall be non-cumulative compulsorily convertible preference share of face value Rs. 10/- each

**Terms of Preference shares:**

CCPS shall be automatically converted in to Equity Shares on the third anniversary of the allotment of shares to the Investors. The CCPS shall be converted into Equity Shares such that the aggregate shareholding of the Investors post such conversion shall be 49.99% of the total paid up equity share capital of the Company. The issue price per Equity Share arising out of the said conversion shall be adjusted as per the terms and conditions agreed upon between the Company and the holders of the CCPS in writing.



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**  
Formerly known as FICS Consultancy Services Limited

**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 |
| 9.90% NCD redeemable in year 2016-17 | 50,00,00,000 | -             | -            | -             |
|                                      | 50,00,00,000 | -             | -            | -             |

**5 LONG-TERM PROVISIONS**

(In Rupees)

|                                                    | As at 31.03.2015   | As at 31.03.2014 |
|----------------------------------------------------|--------------------|------------------|
| For Standard assets (refer note 5.1)               | 4,62,00,000        | 22,72,822        |
| For employee benefits:<br>Gratuity (refer note 24) | 22,47,832          | -                |
|                                                    | <b>4,84,47,832</b> | <b>22,72,822</b> |

5.1 To ensure that Non-Banking Financial Companies (NBFC) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a notification No. DNBS 22 / CGM (US) dated January 17, 2011, requiring all NBFCs to make a general provision at 0.25 per cent of outstanding standard assets. The Company has created provision for standard assets, which is sufficient to comply with the aforesaid RBI Notification.

**6 SHORT-TERM BORROWINGS**

(In Rupees)

|                                                 | As at 31.03.2015      | As at 31.03.2014    |
|-------------------------------------------------|-----------------------|---------------------|
| <b>Secured</b>                                  |                       |                     |
| <b>Loans repayable on demand</b>                |                       |                     |
| From banks                                      |                       |                     |
| Cash credit facilities (refer note 6.1)         | 50,02,94,601          | -                   |
| <b>Unsecured</b>                                |                       |                     |
| <b>Other loans and advances</b>                 |                       |                     |
| Commercial paper (refer note 6.2 and note 6.3)  | 7,50,00,00,000        | -                   |
| Less: Unamortised interest on commercial paper  | (14,12,28,285)        | -                   |
|                                                 | <b>7,35,87,71,715</b> | -                   |
| Loans from holding company (Including Interest) | -                     | 87,50,00,000        |
|                                                 | <b>7,35,87,71,715</b> | <b>87,50,00,000</b> |
|                                                 | <b>7,85,90,66,316</b> | <b>87,50,00,000</b> |

6.1 Cash credit facility from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.

6.2 The maximum amount of commercial paper outstanding at any time during the year was Rs.750,00,00,000/- (Previous year nil).

6.3 Interest rate of commercial paper range from 9.15% to 9.97% p.a.



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**  
Formerly known as FICS Consultancy Services Limited

**10 FIXED ASSETS FOR THE CURRENT YEAR**

| Description             | GROSS BLOCK         |                              |                            |                     | DEPRECIATION        |                              |                            |                     | NET BLOCK           |
|-------------------------|---------------------|------------------------------|----------------------------|---------------------|---------------------|------------------------------|----------------------------|---------------------|---------------------|
|                         | As at<br>31.03.2014 | Additions<br>for the<br>year | Deductions for<br>the year | As at<br>31.03.2015 | Up to<br>31.03.2014 | Additions<br>for the<br>year | Deductions<br>for the year | Up to<br>31.03.2015 | As at<br>31.03.2015 |
| <b>TANGIBLE ASSETS:</b> |                     |                              |                            |                     |                     |                              |                            |                     |                     |
| <b>Owned Assets:</b>    |                     |                              |                            |                     |                     |                              |                            |                     |                     |
| Land                    | -                   | 5,36,040                     | -                          | 5,36,040            | -                   | -                            | -                          | -                   | 5,36,040            |
| Office premises         | 18,67,137           | -                            | 18,67,137                  | -                   | 8,94,256            | 2,148                        | 8,96,404                   | -                   | -                   |
| Computers               | -                   | 6,33,111                     | -                          | 6,33,111            | -                   | 98,864                       | -                          | 98,864              | 5,34,247            |
| Furniture and fixtures  | 13,81,031           | 95,212                       | 13,81,031                  | 95,212              | 13,81,031           | 2,348                        | 13,81,031                  | 2,348               | 92,864              |
| Electrical fittings     | 1,45,345            | -                            | 1,45,345                   | -                   | 1,45,345            | -                            | 1,45,345                   | -                   | -                   |
| Office equipment        | 2,92,688            | -                            | 2,92,688                   | -                   | 2,92,688            | -                            | 2,92,688                   | -                   | -                   |
| <b>Leased Assets:</b>   |                     |                              |                            |                     |                     |                              |                            |                     |                     |
| Vehicles                | -                   | 1,72,830                     | -                          | 1,72,830            | -                   | 52,676                       | -                          | 52,676              | 1,20,154            |
| <b>Total</b>            | <b>36,86,201</b>    | <b>14,37,193</b>             | <b>36,86,201</b>           | <b>14,37,193</b>    | <b>27,13,320</b>    | <b>1,56,036</b>              | <b>27,15,468</b>           | <b>1,53,888</b>     | <b>12,83,305</b>    |



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**  
Formerly known as FICS Consultancy Services Limited

**11 DEFERRED TAX ASSETS (NET)**
**(In Rupees)**

|                                                                     | As at 31.03.2015   | As at 31.03.2014 |
|---------------------------------------------------------------------|--------------------|------------------|
| Provision for standard assets                                       | 1,59,88,896        | -                |
| Disallowances under section 43B of the Income Tax Act, 1961         | 1,69,48,653        | -                |
| Share issue expense                                                 | 26,09,676          | -                |
| Difference between books and tax written down value of fixed assets | (34,162)           | -                |
|                                                                     | <b>3,55,13,063</b> | <b>-</b>         |

**12 LONG-TERM LOANS AND ADVANCES**
**(In Rupees)**

|                                                                | As at 31.03.2015       | As at 31.03.2014    |
|----------------------------------------------------------------|------------------------|---------------------|
| <b>(Unsecured unless otherwise stated and considered good)</b> |                        |                     |
| <b>Loan Funds:</b>                                             |                        |                     |
| Secured                                                        | 1,662,86,72,434        | 90,00,00,000        |
| Capital advances                                               | 7,32,640               | -                   |
| Advance tax (net of provisions)                                | 24,70,188              | 24,70,188           |
| Security deposits                                              | -                      | 20,000              |
|                                                                | <b>1,663,18,75,262</b> | <b>90,24,90,188</b> |

**13 CASH AND BANK BALANCES**
**(In Rupees)**

|                                              | As at 31.03.2015   | As at 31.03.2014   |
|----------------------------------------------|--------------------|--------------------|
| <b>Cash and cash equivalents</b>             |                    |                    |
| Cash in hand                                 | 9,307              | -                  |
| Balances with banks                          |                    |                    |
| Balances with banks in current accounts      | 2,92,43,984        | 88,91,416          |
| Balances with banks in deposit accounts      | -                  | 1,50,00,000        |
|                                              | 2,92,43,984        | 2,38,91,416        |
| <b>Other bank balances (Refer note 13.1)</b> |                    |                    |
| In deposit accounts                          | 25,00,000          | -                  |
|                                              | <b>25,00,000</b>   | <b>-</b>           |
|                                              | <b>3,17,53,291</b> | <b>2,38,91,416</b> |

13.1 Deposit accounts under lien of Rs. 25,00,000/-, (Previous year nil) against which overdraft facilities amounting to nil (Previous year nil) has been availed.



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**  
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**18 EMPLOYEE BENEFITS EXPENSE**

(In Rupees)

|                                                | For the year<br>ended 31.03.2015 | For the year ended<br>31.03.2014 |
|------------------------------------------------|----------------------------------|----------------------------------|
| Salaries, bonus, other allowances and benefits | 11,58,94,271                     | -                                |
| Contribution to provident and other funds      | 8,20,419                         | -                                |
| Gratuity (refer note 24)                       | 5,71,667                         | -                                |
| Staff welfare expenses                         | 84,307                           | -                                |
|                                                | <b>11,73,70,664</b>              | <b>-</b>                         |

**19 FINANCE COSTS**

(In Rupees)

|                            | For the year<br>ended 31.03.2015 | For the year ended<br>31.03.2014 |
|----------------------------|----------------------------------|----------------------------------|
| Interest on loans          | 13,33,82,338                     | 2,98,17,123                      |
| Interest on bank overdraft | 2,94,521                         | -                                |
| Interest on others         | 12,494                           | -                                |
|                            | <b>13,36,89,353</b>              | <b>2,98,17,123</b>               |

**20 PROVISION FOR LOANS**

(In Rupees)

|                              | For the year<br>ended 31.03.2015 | For the year ended<br>31.03.2014 |
|------------------------------|----------------------------------|----------------------------------|
| Provision on standard assets | 4,39,27,178                      | 22,72,822                        |
|                              | <b>4,39,27,178</b>               | <b>22,72,822</b>                 |

**21 OPERATING AND OTHER EXPENSES**

(In Rupees)

|                                       | For the year<br>ended 31.03.2015 | For the year ended<br>31.03.2014 |
|---------------------------------------|----------------------------------|----------------------------------|
| Rates and taxes                       | 1,26,85,448                      | 3,65,865                         |
| Legal and professional fees           | 1,25,62,421                      | 16,343                           |
| Support service charges               | 63,70,800                        | -                                |
| Space and related charges             | 52,67,918                        | -                                |
| Travelling and conveyance             | 7,59,832                         | 32,240                           |
| Filing fees                           | 6,15,313                         | 5,035                            |
| Auditors remuneration (refer note 23) | 3,00,000                         | 39,326                           |
| Repairs and maintenance               | 4,27,352                         | -                                |
| Electricity expenses                  | 3,91,374                         | 14,523                           |
| Donations                             | -                                | 1,00,000                         |
| Bank charges                          | 1,60,705                         | 646                              |
| Communication expenses                | 1,09,945                         | -                                |
| Miscellaneous expenses                | 2,89,282                         | 77,026                           |
|                                       | <b>3,99,40,390</b>               | <b>6,51,004</b>                  |



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| <b>IV. Reconciliation of defined benefit commitments</b>      | <b>As at 31.03.2015<br/>(In Rupees)</b> | <b>As at 31.03.2014<br/>(In Rupees)</b> |
|---------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Commitments at the beginning of the year                      | -                                       | -                                       |
| Current Service Cost                                          | 72,343                                  | -                                       |
| Interest Cost                                                 | 61,454                                  | -                                       |
| Past Service Cost                                             | 4,37,870                                | -                                       |
| Actuarial Losses/ (Gains)                                     | -                                       | -                                       |
| Liabilities Assumed on Acquisition / (Settled on Divestiture) | 18,45,071                               | -                                       |
| Benefits Paid                                                 | -                                       | -                                       |
| Commitments at the year end                                   | 24,16,738                               | -                                       |

| <b>V. Experience Adjustments</b>    | <b>31-Mar-11</b> | <b>31-Mar-12</b> | <b>31-Mar-13</b> | <b>31-Mar-14</b> | <b>31-Mar-15</b> |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Defined Benefit Obligation          | -                | -                | -                | -                | 24,16,738        |
| Plan Assets                         | -                | -                | -                | -                | -                |
| Surplus/ (Deficit)                  | -                | -                | -                | -                | (24,16,738)      |
| Experience Adj. on Plan Liabilities | -                | -                | -                | -                | -                |
| Experience Adj. on Plan Assets      | -                | -                | -                | -                | -                |

| <b>VI. Actuarial Assumptions</b>         | <b>As at 31.03.2015</b>                       | <b>As at 31.03.2014</b>                       |
|------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Mortality table                          | Indian Assured<br>Lives (2006-08)<br>Ultimate | Indian Assured Lives<br>(2006-08)<br>Ultimate |
| Discount rate (per annum)                | 8.00%                                         | NA                                            |
| Rate of escalation in salary (per annum) | 7.00%                                         | NA                                            |

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

## 25 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 (w.e.f. March 29, 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 (w.e.f. March 29, 2014)



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**  
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| Name of the related party                           | Nature of relationship | As at 31.03.2015<br>Rupees | As at 31.03.2014<br>Rupees |
|-----------------------------------------------------|------------------------|----------------------------|----------------------------|
| <b>JM Financial Products Limited</b>                | Fellow<br>Subsidiary   |                            |                            |
| Inter Corporate Deposits given                      |                        | 289,50,00,000              | -                          |
| Inter Corporate Deposits received back              |                        | 289,50,00,000              | -                          |
| Inter Corporate Deposits taken                      |                        | 413,10,00,000              | -                          |
| Inter Corporate Deposits repaid                     |                        | 413,10,00,000              | -                          |
| Interest expenses on Inter Corporate Deposits taken |                        | 71,34,011                  | -                          |
| Interest income on Inter Corporate Deposits given   |                        | 30,66,945                  | -                          |
| Transfer of Gratuity                                |                        | 18,45,071                  | -                          |
| Transfer of Car Loan                                |                        | 2,18,807                   | -                          |
| Transfer of fixed assets                            |                        | 5,59,559                   | -                          |
| Reimbursement of expenses (paid)                    |                        | 6,93,297                   | -                          |

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

25.2 The transactions disclosed above are exclusive of service tax.

## 26 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<br>Payments outstanding as<br>at the year end | Interest<br>expenses        | Present value of<br>the minimum lease<br>payments |
|------------------------------------------------------|-------------------------------------------------------------------|-----------------------------|---------------------------------------------------|
|                                                      | Rupees                                                            | Rupees                      | Rupees                                            |
| Not later than one year                              | 1,77,421<br>(-)                                                   | 16,520<br>(-)               | 1,60,901<br>(-)                                   |
| Later than one year and not later<br>than five years | -<br>(-)                                                          | -<br>(-)                    | -<br>(-)                                          |
| Later than five years                                | -<br>(-)                                                          | -<br>(-)                    | -<br>(-)                                          |
| <b>Total</b>                                         | <b>1,77,421</b><br><b>(-)</b>                                     | <b>16,520</b><br><b>(-)</b> | <b>1,60,901</b><br><b>(-)</b>                     |

Figures in brackets are for previous year.



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29 Information pursuant to RBI Guidelines on Capital adequacy, liquidity and disclosure norms dated August 1, 2008 :-

(i) **Capital risk adequacy ratio (CRAR):**

| Particulars            | As at<br>31.03.2015 | As at<br>31.03.2014 |
|------------------------|---------------------|---------------------|
| <b>CRAR</b>            |                     |                     |
| CRAR - Tier I capital  | 50.57%              | NA                  |
| CRAR - Tier II capital | 0.25%               | NA                  |

During the previous year Company was Non Systematically Important NBFC, hence Capital Risk Adequacy Ratio was not applicable in the previous year.

(ii) **Exposures:**

**A. Exposure to Real Estate Sector**

|       | Category                                                                                                                                                                                                                                                                                                                                                                                     | As at<br>31.03.2015 | As at<br>31.03.2014 |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
|       |                                                                                                                                                                                                                                                                                                                                                                                              | Rupees              | Rupees              |
| a)    | <b>Direct Exposure</b>                                                                                                                                                                                                                                                                                                                                                                       |                     |                     |
| (i)   | <b>Residential Mortgages-</b><br>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)  | <b>Commercial Real Estate*-</b><br>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; | 1,769,45,87,578     | 90,00,00,000        |
| (iii) | <b>Investments in Mortgage Backed Securities (MBS) and other securitised exposures-</b><br>a) Residential,<br>b) Commercial Real Estate.                                                                                                                                                                                                                                                     |                     |                     |
| b)    | <b>Indirect Exposure</b><br>Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).                                                                                                                                                                                                                                                     | -                   | -                   |



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**iii. Asset Liability Management:**

**Maturity pattern of certain items of assets and liabilities:**

|                         |                                       |                                  |                                 |                                 |                               |                           |                            |                 | (Rupees)        |
|-------------------------|---------------------------------------|----------------------------------|---------------------------------|---------------------------------|-------------------------------|---------------------------|----------------------------|-----------------|-----------------|
| Particulars             | 1 day to<br>30/31 days<br>(one month) | Over one<br>month to 2<br>months | Over 2<br>months to<br>3 months | Over 3<br>months to<br>6 months | Over 6<br>months to 1<br>year | Over 1 year<br>to 3 years | Over 3 years<br>to 5 years | Over 5<br>years | Total           |
| <b>Liabilities</b>      |                                       |                                  |                                 |                                 |                               |                           |                            |                 |                 |
| Borrowing<br>from Banks | 2,94,601                              | -                                | -                               | -                               | 50,00,00,000                  | 65,00,00,000              | -                          | -               | 115,02,94,601   |
|                         | (-)                                   | (-)                              | (-)                             | (-)                             | (-)                           | (-)                       | (-)                        | (-)             | (-)             |
| Market<br>Borrowings    | 199,11,85,234                         | 444,85,18,288                    | 15,436                          | 47,833                          | 91,91,65,824                  | 50,00,00,000              | -                          | -               | 785,89,32,615   |
|                         | (-)                                   | (-)                              | (-)                             | (-)                             | (-)                           | (-)                       | (-)                        | (-)             | (-)             |
| <b>Assets</b>           |                                       |                                  |                                 |                                 |                               |                           |                            |                 |                 |
| Advances                | 6,97,86,917                           | 10,59,65,329                     | 8,41,75,178                     | 38,06,92,579                    | 1,20,22,70,205                | 15,42,31,28,065           | 1,22,23,15,558             | -               | 18,48,83,33,831 |
|                         | (2,03,57,264)                         | (-)                              | (-)                             | (-)                             | (-)                           | (90,24,70,188)            | (-)                        | (-)             | (92,28,27,452)  |

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.



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| (3)   | Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:                                      |                           |
|-------|------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
|       | Particulars                                                                                                                        |                           |
|       | Assets side                                                                                                                        | Amount outstanding Rupees |
| (i)   | Lease assets including lease rentals under sundry debtors:<br>(a) Financial Lease<br><br>(b) Operating Lease                       | -<br>(-)<br>-<br>(-)      |
| (ii)  | Stock on hire including hire charges under sundry debtors:<br>(a) Assets on hire                                                   | -<br>(-)                  |
| (iii) | Other loans counting towards AFC activities:<br>(a) Loans where assets have been repossessed<br><br>(b) Loans other than (a) above | -<br>(-)<br>-<br>(-)      |

| (4) | Break – up of Investments:                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                  |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
|     | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                  |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                | Amount outstanding Rupees                                                                                        |
|     | Current Investments:<br>1. Quoted:<br>(i) Shares:<br>(a) Equity<br>(b) Preference<br>(ii) Debentures and Bonds<br><br>(iii) Units of Mutual Funds<br><br>(iv) Government Securities<br><br>(v) Others (Please Specify)<br>2. Unquoted:<br>(i) Shares:<br>(a) Equity<br>(b) Preference<br><br>(ii) Debentures and Bonds<br><br>(iii) Units of Mutual Funds<br><br>(iv) Government Securities<br><br>(v) Others (Please Specify) | -<br>-<br>-<br>(-)<br>-<br>(-)<br>-<br>(-)<br>-<br>-<br>-<br>(-)<br>-<br>(-)<br>-<br>(-)<br>-<br>(-)<br>-<br>(-) |



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| <b>(7) Other Information:</b> |                                         |                          |
|-------------------------------|-----------------------------------------|--------------------------|
|                               | <b>Particulars</b>                      | <b>Amount<br/>Rupees</b> |
| (i)                           | Gross Non – Performing Assets           |                          |
|                               | (a) Related Parties                     | -<br>(-)                 |
|                               | (b) Other than related parties          | -<br>(-)                 |
| (ii)                          | Net Non – Performing Assets             |                          |
|                               | (a) Related Parties                     | -<br>(-)                 |
|                               | (b) Other than related parties          | -<br>(-)                 |
| (iii)                         | Assets acquired in satisfaction of debt | -<br>(-)                 |

(Figures in brackets indicates previous year figures)

**31** There are no restructured advance as on March 31, 2015, Hence disclosure of information as required in terms of sub-Para 9 of Paragraph 20B of Non Banking Financial (Non – Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended vide Notification No. DNBS(PD).No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

**32** During the year rating assigned by ICRA Ltd are as mentioned below:

|       |                            | <b>As at<br/>31.03.2015<br/>Rupees</b> | <b>Rating</b> |
|-------|----------------------------|----------------------------------------|---------------|
| (i)   | Commercial Paper programme | 2,000,00,00,000                        | A1+           |
| (ii)  | Fund based bank limits     | 1,000,00,00,000                        | AA-(stable)   |
| (iii) | Bond Programme             | 1,000,00,00,000                        | AA-(stable)   |

**33 Concentration of Advances and Exposures:**

|                                                                                  | <b>As at<br/>31.03.2015</b> | <b>As at<br/>31.03.2014</b> |
|----------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Total Advances to twenty largest borrowers- Rupees                               | 1,596,09,54,866             | 90,91,28,880                |
| Percentage of Advances to twenty largest borrowers to total Advances of the NBFC | 86.53%                      | 100%                        |

|                                                                                                                        | <b>As at<br/>31.03.2015</b> | <b>As at<br/>31.03.2014</b> |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Total Exposure to twenty largest borrowers / customers - Rupees                                                        | 1,598,00,78,433             | 91,65,37,085                |
| Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers | 86.52%                      | 100%                        |



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

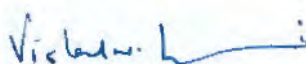
Loans and advances in the nature of loans given to subsidiaries and associates:

| Name of the company           | Relationship      | Rupees          |                 |
|-------------------------------|-------------------|-----------------|-----------------|
|                               |                   | Maximum Balance | Closing Balance |
| JM Financial products Limited | Fellow Subsidiary | 130,00,00,000   | -               |
|                               |                   | (-)             | (-)             |

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

- 36** The main business of the Company is to provide loans. All other activities of the Company revolve around the main business and accordingly there are no separate reportable segments, as per the Accounting Standard on 'Segment reporting' (As 17) issued by the Institute of Chartered Accountant of India.
- 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**  
Director  
DIN - 00009079



**Hariharan Aiyar**  
Director  
DIN - 01374306



**Shashwat Belapurkar**  
Chief Executive Officer



**Gagan Kothari**  
Chief Financial Officer

|          | Particulars                                              | For the<br>year ended  | For the<br>year ended |
|----------|----------------------------------------------------------|------------------------|-----------------------|
|          |                                                          | As at 31.03.2015       | As at 31.03.2014      |
| <b>C</b> | <b>Cash flow from financing activities</b>               |                        |                       |
|          | Proceeds from issue of share capital - Equity/Preference | 884,18,40,000          | -                     |
|          | Share issue expenses                                     | (88,41,841)            | -                     |
|          | Interest paid                                            | (12,494)               | -                     |
|          | Proceeds from long-term borrowings                       | 115,00,00,000          | -                     |
|          | Proceeds from short-term borrowings                      | 1,199,00,66,315        | 157,50,00,000         |
|          | Repayment of short-term borrowings                       | (500,60,00,000)        | (70,00,00,000)        |
|          | <b>Net cash from financing activities</b>                | <b>1,696,70,51,980</b> | <b>87,50,00,000</b>   |
|          | Net increase in Cash and cash equivalents                | 53,61,875              | 78,62,927             |
|          | Cash and cash equivalents at the beginning of the year   | 2,38,91,416            | 1,60,28,489           |
|          | <b>Cash and cash equivalents at the end of the year</b>  | <b>2,92,53,291</b>     | <b>2,38,91,416</b>    |

**Reconciliation of cash and cash equivalents:**

|  | Particulars                          | For the<br>year ended | For the<br>year ended |
|--|--------------------------------------|-----------------------|-----------------------|
|  |                                      | As at 31.03.2015      | As at 31.03.2014      |
|  | As per Balance Sheet - Note 13       | 3,17,53,291           | 2,38,91,416           |
|  | Less: Balances with banks in deposit | 25,00,000             | -                     |
|  |                                      | <b>2,92,53,291</b>    | <b>2,38,91,416</b>    |

**Notes**

- 1 The cash flow statement has been prepared under the 'Indirect Method' set out in AS 3 - "Cash Flow Statement" notified in Companies (Accounting standards) Rules, 2006 (as amended).
- 2 Previous year's figures have been regrouped and rearranged wherever necessary

In terms of our report attached

For and on behalf of the Board of Directors

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



**Abhijit A. Damle**  
Partner  
Membership No. 102912  
Camp-Beijing  
Date : May 19, 2015



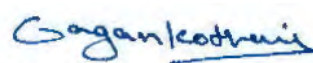
**Vishal Kampani**  
Director  
DIN - 00009079



**Shashwat Belapurkar**  
Chief Executive Officer

Mumbai **May 19, 2015**


**Hariharan Aiyar**  
Director  
DIN - 01374306



**Gagan Kothari**  
Chief Financial Officer