

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 READ WITH THE RULES MADE THEREUNDER

## 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 U7140MH1980PLC022644.

**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, Company Secretary

**Email:** hemant.pandya@jmfl.com / investorrelations.com@jmfl.com,

**Website:** www.jmfinancialcreditsolutions.com

**DISCLOSURE DOCUMENT (DD) FOR PRIVATE PLACEMENT OF UPTO 1,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (“DEBENTURES” OR “NCDs” OR “TRANCHE AQ NCDs”) OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) EACH FOR CASH AGGREGATING UPTO RS 100,00,00,000/- (RUPEES ONE HUNDRED CRORE 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 June 6, 2019.

This Disclosure Document is dated June 7, 2019.

#### REGISTRAR TO THE ISSUE

##### Karvy Fintech 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: Mr. Dinesh Ladwa  
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) and the rules made thereunder. 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) and rules made thereunder, as amended from time to time. 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, as amended from time to time 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)	1,000 Secured, Rated, Listed, Redeemable Non-Convertible Debenture(s) (Tranche AQ) of the face value of 10,00,000/- (Rupees Ten lakh only) each for cash aggregating upto Rs. 100,00,00,000/- (Rupees One Hundred Crore 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 AQ NCDs being June 10, 2019
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 and as per Companies Act, 2013, as amended from time to time.
DP-ID	Depository Participant Identification Number
DRR	The Company being a Non-Banking Financial Company, no Debenture Redemption Reserve would be created for the privately placed Debentures, in accordance with the provisions of the Companies Act, 2013.
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 which shall be 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
Promoter	JM Financial Limited
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 Fintech 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
TDS	Tax Deducted at Source
Tranche AQ – 2019 (XII)	Shall mean all 1,000 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. The Promoter is involved in certain tax proceedings that if determined against the Promoter, could have a material adverse effect on our business, financial condition and results of operations.
2. Any volatility in interest rates could adversely affect the net interest margin, financial performance and results of operations.
3. If the Company is unable to continue to benefit from the relationship with the Promoter and the "JM Financial" brand, the business and results of operations may be adversely affected.
4. The Company operates in an increasingly competitive financial services industry, which creates significant pricing pressures and may adversely affect the net interest margins, income and market share. Further, the Company's growth depends on its ability to compete effectively in this competitive environment.
5. The Company is a non-deposit taking Systematically Important Non- Banking Finance Company i.e. NBFC-ND-SI and therefore the Company is subject to supervision and regulation by the RBI, as an NBFC-ND-SI, and other regulatory authorities. The Company operates in highly regulated business and is subject to various laws and regulations and regulatory investigations. Changes in the RBI's regulations and other regulations, and the regulation governing the Company or the industry in which the Company operates may have a material adverse effect on the business, financial condition or results of operation.

6. The Company's ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could have an impact on the business and could affect the growth, margins and business operations.
7. Non-compliance with RBI inspection/ observations may have a material adverse effect on the business, financial condition or results of operation.
8. The Company's loan portfolio is significantly exposed to real estate which may lead to an increase in its impairment losses and adversely affect the financial condition and results of operations.
9. The Company significantly depends on and is exposed to risks emanating from economic, regulatory and other changes in the Mumbai Metropolitan Region, which if the Company is unable to manage successfully may have an adverse effect on the revenues, cash flows, profits and financial condition.
10. The Company may experience difficulties in expanding its business into new regions and markets in India and introducing its complete range of products in each of its branches.
11. The real estate industry in India has witnessed significant downturns in the past, and any significant downturn in the future or any adverse developments in the real estate sector could adversely affect the Company's business, financial condition and results of operations.
12. Any downgrade in credit ratings could increase interest rates for refinancing outstanding debt, which would increase financing costs, and adversely affect future issuances of debt and the ability to borrow on a competitive basis, which could adversely affect the business, financial condition, results of operations and cash flows.
13. The Company's business requires substantial funds, and any disruption in funding sources or an increase in the average cost of borrowings could have a material adverse effect on its liquidity and financial condition.
14. The loan portfolio of the Company is Rs. 80,9110 Million as on March 31, 2019. Any default and late or non-payment by from the Company's clients could adversely affect the business, results of operations and financial condition. Any such defaults and late or non- payments would result in provisions or write-offs in the financial statements which may materially and adversely affect the asset quality, cash flows and profitability. The Company's gross loan portfolio (excluding inter-corporate deposits) is secured by assets, moveable and immovable. The value of the security/collateral granted in favour of the Company, as the case may be, may decline due to adverse market and economic conditions (both global and domestic), delays in insolvency, winding up and foreclosure proceedings, defects in title, difficulty in locating moveable assets, inadequate documentation in respect of assets secured and the necessity of obtaining regulatory approvals for the enforcement of 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.
15. The Company reported a Net NPA of Rs. 686.30 Million as on March 31, 2019. Increase in NPA levels due to client defaults could impact the quality of the Company's portfolio and the business may be adversely affected if the Company is unable to provide for such higher levels of NPAs.
16. The Company may not be able to recover the secured loans on a timely basis, or at all, and the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under such defaulted loans. The Company's inability to recover outstanding amounts under loans may adversely affect our business.

17. The Company derives majority/substantial of its revenues from its top 20 borrowers. The Company's inability to maintain relationship with such borrower or any default and non-payment in future or credit losses of its single borrower or group exposure where the Company has a substantial exposure could materially and adversely affect our business, future financial performance and results of operations.
18. The Company has significant exposure to real estate loans and any impact on its financial performance or the sector in which the Company operate or the economy in general will adversely affect the Company's results of operation.
19. The Company also extends loans to real estate developers for acquisition of land parcels which are at a nascent stage and have not received regulatory approvals with respect to development of such land parcels.
20. An inability to effectively manage and sustain our rate of growth, or maintain operational efficiencies, may adversely affect the Company's business and the Company may not be able to increase its revenues or maintain profitability.
21. The Company's business is dependent on the JM Financial group's goodwill and 'JM Financial' brand name. Any adverse impact on the brand name 'JM Financial' or any change in control of the JM Financial group or any other factor affecting the business and reputation of the JM Financial group may have a concurrent adverse effect on its reputation, business and results of operations.
22. The Company's business operations are reliant on its information technology and telecommunication systems. Any failure of or disruptions/ security breach in its systems, inability to adapt to the technological changes could have an adverse impact on the business, operations and financial condition.
23. The Company is exposed to significant credit risk in its business operations which may expose the Company to significant losses and adversely affect the business and results of operations.
24. The Company's risk management measures and internal controls, may not be fully effective in mitigating its risks in all market environments or against all types of risks, which may adversely affect the business and financial performance.
25. The Company is dependent on its senior management and other key personnel as well as certain intermediaries, and the loss of, or its inability to attract or retain, such persons could adversely affect the business, results of operations, financial condition and cash flows.
26. Unsecured loans that the Company may provide could be susceptible to certain operational and credit risks which may result in increased levels of NPAs which may adversely affect its business, prospects, results of operations and financial condition.
27. The Company has a high concentration of loans to certain customer groups. If a substantial portion of these loans were to become non-performing, the quality of the credit portfolio could be adversely affected.
28. The Company may not be able to detect money-laundering and other illegal or improper activities in a comprehensive manner or on a timely basis, which could expose it to additional liability and harm our business or reputation.

29. The Company relies on third-party intermediaries and service providers who may not perform their obligations satisfactorily or in compliance with law. Any such non-compliance with law or unsatisfactory service by the third-party intermediaries and service providers engaged by us for certain services could have an adverse impact on its business and results of operations.
30. The Company is subject to regulations in relation to minimum capital adequacy requirements and a decline in its CRAR may require the Company to raise fresh capital which may not be available on favourable terms, or at all, which may affect its business, prospects, results of operations and financial condition. A decline in the capital adequacy ratio could also restrict the future business growth.
31. The Company may face asset-liability mismatches that could adversely affect the cash flows, financial condition and results of operations.
32. If the Company is not able to obtain, renew or maintain its statutory and regulatory permits and approvals required to operate its business it may have a material adverse effect on the Company business.
33. Failure to maintain confidential information securely or significant security breaches could adversely impact the Company business, financial condition, cash flows, results of operations and prospects.
34. The Company may introduce new products for its customers and there is no assurance that the new products will be profitable in the future. Further, the Company faces additional risks as the Company expands its product and service offerings and grow the business.
35. The Company's substantial indebtedness and the conditions imposed by the financing and other agreements could adversely affect the ability to conduct its business and operations.
36. The Company depends on the accuracy and completeness of information about customers and counterparties and any misrepresentation, errors in or incompleteness of such information could cause its business to suffer.
37. The Company may experience negative cash flows in the future.
38. The Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders.
39. The Company has in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that the Company could not have achieved more favorable terms if such transactions had been entered into with third parties.
40. The Company's Promoter, Directors and related entities have interests in a number of entities which are in businesses similar to the Company's business and this may result in potential conflicts of interest with the Company.
41. The new Bankruptcy Code in India may affect the Company's rights to recover loans from borrowers.
42. The Company's insurance coverage could prove inadequate to satisfy potential claims and the Company's insurance policies may not protect it against all potential losses, which could adversely affect the business and results of operations.

43. The Company will be subject to a number of new accounting standards as part of its transition to IND (AS) that may significantly impact its financial statements in future reporting periods.
44. The Company's office locations are not registered in its name and are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.
45. As the market is growing faster and new players are emerging, the risk of existing employees switching to another company is increasing which may impact the performance of the Company.
46. 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.
47. 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.
48. India Ratings and Research Private Limited has assigned "IND AA/Stable" rating for long term borrowings upto Rs. 5,000 Crore through NCDs (private placement and public issue) and ICRA Limited has assigned [ICRA]AA rating with stable outlook for long term borrowings upto Rs. 3,000 Crore through private placement of 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.
49. 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.
50. 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.
51. 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 privately placed Debentures.

52. 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.
53. 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.
54. 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. Instability or difficult conditions in the financial markets could adversely affect the Company's business, results of operations and financial condition.
2. A slowdown in economic growth in India could cause the Company's business to suffer.
3. Political instability or changes in the Government could adversely affect economic conditions in India and consequently the Company's business.
4. Financial instability, economic developments and volatility in securities markets in other countries may also affect the business of the Company.
5. The Indian tax regime has undergone substantial changes which could adversely affect the Company's business and profits.
6. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect the Company's business, prospects, results of operations and financial condition.
7. Differences exist between Indian GAAP and other accounting principles, which may be material to investors' assessments of the Company's financial condition.
8. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect the Company's ability to raise financing and its business.
9. The Company's ability to raise foreign debt capital may be constrained by Indian law.
10. Inflation in India could have an adverse effect on the Company's profitability and if significant, on the Company's financial condition.

11. Acts of terrorism, civil disturbance, communal conflicts, regional conflicts and other similar threats to security could adversely affect the Company's business, cash flows, results of operations and financial condition.
12. Natural disasters and other disruptions could adversely affect the Indian economy and could adversely affect the Company's business, results of operations and financial condition.
13. We may find it difficult to raise funds in terms of quantum, cost and tenure under the current liquidity scenario which may adversely affect the Company's business and operations.

### **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/body corporate, 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 and Corporate Office of the Issuer	7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel. No. 022 - 6630 3030 Fax: 022 – 6630 3223
3.	Compliance Officer of the Issuer	<b>Mr. Hemant Pandya</b> (Company Secretary) 5 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel. No. 022 - 6630 3551 Fax: 022 – 6630 3223 Email: <a href="mailto:hemant.pandya@jmfl.com">hemant.pandya@jmfl.com</a> / <a href="mailto:investorrelations.csl@jmfl.com">investorrelations.csl@jmfl.com</a>
4.	Chief Financial Officer of the Issuer	<b>Mr. Gagan Kothari</b> 5 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel. No. 022 - 6630 3360 Fax: 022 – 6630 3223 Email: <a href="mailto:gagan.kothari@jmfl.com">gagan.kothari@jmfl.com</a>
5.	Trustee of the Issue	<b>IDBI Trusteeship Services Limited</b> 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: dinesh.ladwa@idbitrustee.com; Contact Person: Mr. Dinesh Ladwa
6.	Registrar of the Issue	<b>Karvy Fintech Private Limited</b> 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
7.	Credit Rating agency of the Issue	<b>India Ratings and Research Private Limited</b> Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051. <b>ICRA Limited (ICRA)</b> 3rd Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.
8.	Auditors of the Issuer	<b>Deloitte Haskins &amp; Sells LLP</b> Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Elphinstone Mill Compound, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013, India Tel: +91 22 6185 4000; Fax: +91 22 6185 4601 website: www.deloitte.com

Investors can contact the Compliance Officer of the Company 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 March 31, 2019**

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

**Delhi:**

6th Floor, Sood Towers, Unit No. 608, 609 - 610, Barakhamba Road, Connaught Place, New Delhi, Delhi 110 001

**Chennai:**

Seetakathi Business Centre, 2nd floor 215, 684-690, Anna Salai, Mount Road, Chennai - 600 006

**Bangalore:**

40/1A, 4th floor, Basappa Complex, Lavelle Road, Bengaluru - 560001

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

The corporate structure of the Company as on March 31, 2019 is as below:

Sr. No.	Name of the Shareholder	Number of equity shares held	% of total shareholding
1.	JM Financial Limited along with its nominees <b>(fully paid up)</b> [Refer Note (ii)]	13,19,431	46.61%
	JM Financial Limited <b>(partly paid up)</b> [Refer Note (ii)]	19,837	0.14%
2.	INH Mauritius 1	13,84,087	48.89%
3.	Moraine Master Fund LP	84,343	2.98%
4.	Ms. Aparna Aiyar	38,955	1.38%
	<b>Total</b>	<b>28,46,653</b>	<b>100%</b>

**Note:**

(i) The percentage of shareholding is calculated on the paid-up value of shares.

(ii) The current holding of JM Financial Limited in the Company (including the partly paid up shares held by it), is 46.75%. By March 31, 2020 if these partly paid up shares, for any reason, are not converted into fully paid up shares, the shareholding of JM Financial Limited will further go down to 46.68%. Similarly, if these partly paid up shares are converted into fully paid-up shares, then its shareholding will go up to 47.05% from the date of conversion.

**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, 2019 are as under:

Parameters	As at March 31, 2017	As at March 31, 2018	As at March 31, 2019
	(Rs. million, except number of accounts / groups)		
Net worth	13,535.9	16,684.9	29,093.0
Total debt			
i) Non-current maturities of long term borrowings	25,783.1	36,453.7	30,452.5
ii) Short term borrowings	8,525.2	8,403.7	6,611.3
iii) Current maturities of long term borrowings	7,976.8	11,756.7	18,986.1
Net fixed assets	8.5	6.8	9.8
Non-current assets	38,194.7	47,609.7	59,779.1
Cash and cash equivalents	17.0	1,183.4	1,783.3
Current investments	-	-	2,702.9
Current assets	17,888.6	26,054.8	25,846.1
Current liabilities	16,639.6	20,391.6	25,937.7
Assets under management	-	-	-
Off balance sheet assets	-	-	-
Interest income from funding activities	7,077.4	9,231.1	12,580.1
Interest expense	3,122.6	3,899.0	5,787.4
Provisioning and write – offs	76.0	159.9	192.0
PAT	2,772.5	3,149.0	4,063.6
Gross NPA (%)	-	1.0%	1.1%
Net NPA (%)	-	0.9%	0.9%
Tier I Capital Adequacy Ratio (%)	24.5%	22.0%	33.6%
Tier II Capital Adequacy Ratio (%)	0.4%	0.4%	0.7%

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

Before the issue of NCDs*#	1.9
After the issue of NCDs*^#	2.0

\* As per un-audited financials as on March 31, 2019

^ Assuming issue of NCDs of Rs. 100,00,00,000/- (Rupees One Hundred Crore only)

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

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

Not Applicable

**A.c. A brief history of the Issuer since its incorporation giving details of its following activities:****History and Change in the name of the Company**

The Company was 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.

The Board of Directors at its meeting held on September 26, 2018, approved the issuance of 3,47,153 equity shares of the face value of Rs. 10/- each including 19,837 partly paid up equity shares of the face value of Rs. 10/- each, on private placement basis. Accordingly, the Allotment Committee of the Board at its meeting held on September 28, 2018, allotted 69,431 fully paid up equity shares and 19,837 partly paid up equity shares to JM Financial Limited, 1,68,791 fully paid up equity shares to INH Mauritius 1 and 84,343 fully paid up equity shares to Moraine Master Fund LP. Additionally, the Allotment Committee on November 30, 2018 allotted 4,751 fully paid up equity shares to Ms. Aparna Murthy Aiyar.

Post the above infusion, the paid up equity share capital of the Company was Rs. 2,83,07,834/- (Rupees Two Crore Eighty Three Lakh Seven Thousand Eight Hundred and Thirty Four only) representing 28,26,816 fully paid up equity shares of the face value of Rs. 10/- each and 19,837 partly paid up equity shares of the face value of Rs. 10/- each out of which Rs. 2/- per share is paid up.

The Board of Directors of the Company at its meeting held on April 30, 2018 had approved the raising of funds by way of public issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures [NCDs] of the face value of ₹ 1,000/- each and Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures [NCDs] of the face value of ₹ 1,000/- each, for an amount upto ₹ 2,000 Crore (Rupees Two Thousand Crore only). During the financial year ended March 31, 2019, the Company mobilized funds by way of public issuance of NCDs as below:

₹ 750 Crore under Tranche I Issue; and

₹ 263.61 Crore under Tranche II Issue.

**A.c.i. Details of Share Capital as on March 31, 2019:**

Share Capital	Particulars
<b>Authorised Share Capital</b>	Rs. 5,00,00,000 comprising: - 30,00,000 Equity Shares of Rs. 10/- each - 20,00,000 Preference Shares of Rs. 10/- each
<b>Issued, Subscribed and Paid up Share Capital</b>	Rs. 2,83,07,834/- (Rupees Two Crore Eighty Three Lakh Seven Thousand Eight Hundred and Thirty Four only) representing 28,26,816 fully paid up equity shares of the face value of Rs. 10/- each and 19,837 partly paid up equity shares of the face value of Rs. 10/- each out of which Rs. 2/- per share is paid up.

**A.c.ii: Changes in its capital structure as on March 31, 2019:**

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 March 31, 2019:**

The history of equity share capital raised by the Company till March 31, 2019 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 <sup>1</sup>	7	70	Nil
September 9, 1980	49,993	10	10	Cash	Initial Public Offer <sup>2</sup>	50,000	5,00,000	Nil
November 3, 2014	12,00,000	10	2,870	Cash	Rights Issue <sup>3</sup>	12,50,000	1,20,50,000	3,43,20,00,000
November 20, 2014	4	10	4,320	Cash	Private placement <sup>4</sup>	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 <sup>5</sup>	24,65,296	2,46,52,960	-
July 21, 2017	34,204	10	-	-	Conversion of CCPS into Equity Shares <sup>6</sup>	24,99,500	2,49,95,000	-
September 28, 2018	3,22,565	10	25,205	Cash	Private placement <sup>7</sup>	28,22,065	2,82,20,650	11,55,90,42,415
September 28, 2018	19,837	10	25,205	Cash	Private placement <sup>8</sup>	28,41,902	2,82,60,324	11,65,90,01,058
November 30, 2018	4,751	10	25,205	Cash	Private placement <sup>9</sup>	28,46,653	2,83,07,834	11,77,87,02,503

- Allotment of Equity Shares to Navinchandra Kampani (1), Mahendrakumar Kampani (1), Nimesh Kampani (1), Aruna Kampani (1), Nalin Mehta (1), Lila Mehta (1) and Belman Anchan (1).
- Allotment of Equity Shares to several applicants pursuant to Initial Public Offer (49,993) (2).
- Allotment of Equity Shares on rights basis to JMFL (12,00,000) (3).
- Allotment of Equity Shares pursuant to private placement offer to INH Mauritius 1 (4).
- Allotment of Equity Shares upon conversion of CCPS held by INH Mauritius 1(12,15,292) (CCPS were allotted on November 20, 2014) (5).
- Allotment of Equity Shares upon conversion of CCPS held by Ms. Aparna Aiyar (34,204) (CCPS were allotted on November 20, 2014) (6).
- Allotment of 3,22,565 fully paid up Equity Shares pursuant to Private Placement offer to JM Financial Limited (69,431), INH Mauritius 1 (1,68,791) and Moraine Master Fund LP (84,343) (7).
- Allotment of 19,837 partly paid up Equity Shares pursuant to Private Placement offer to JM Financial Limited, wherein the amount partly paid up on the face value of such Equity Shares is Rs. 2 per Equity Share (8).
- Allotment of 4,751 fully paid up Equity Shares pursuant to Private Placement offer to Ms. Aparna Murthy Aiyar (9).

The details of preference share capital raised by the Company till March 31, 2019 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 March 31, 2019 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 March 31, 2019:**

Sr. No.	Name of the Shareholder	Number of equity shares held	Face value per equity share (Rs.)	% of total shares
1.	JM Financial Limited along with its nominees (fully paid up) [Refer Note (ii)]	13,19,431	10/-	46.61
	JM Financial Limited (partly paid up) [Refer Note (ii)]	19,837	10/-	0.14
2.	INH Mauritius 1	13,84,087	10/-	48.89
3.	Ms. Aparna Aiyar	38,955	10/-	1.38
4.	Moraine Master Fund LP	84,343	10/-	2.98
	<b>Total</b>	<b>28,46,653</b>	-	<b>100.00%</b>

Notes:

(i) The percentage of shareholding is calculated on the paid-up value of shares.

(ii) The current holding of JM Financial Limited in the Company (including the partly paid up shares held by it), is 46.75%. By March 31, 2020 if these partly paid up shares, for any reason, are not converted into fully paid up shares, the shareholding of JM Financial Limited will further go down to 46.68%. Similarly, if these partly paid up shares are converted into fully paid-up shares, then its shareholding will go up to 47.05% from the date of conversion.

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

The list of top 10 holders of equity shares of the Company as on March 31, 2019 is as under:

Sr. No.	Name of the Shareholder	Number of equity shares held	Face value per equity share (Rs.)	% of total shares
1.	JM Financial Limited along with its nominees (fully paid up)	13,19,431	13,19,431	46.61%
	JM Financial Limited (partly paid up)	19,837	19,837	0.14%
2.	INH Mauritius 1	13,84,087	13,84,087	48.89%
3.	Moraine Master Fund LP	84,343	84,343	2.97%
4.	Ms. Aparna Aiyar*	34,204	34,204	1.38%
	<b>Total</b>	<b>28,41,902</b>	<b>28,41,902</b>	<b>100.00%</b>

Notes:

(i) The promoters have not pledged or encumbered any shares of the Company.

(ii) The percentage of shareholding is calculated on the paid-up value of shares.

(iii) The current holding of JM Financial Limited in the Company (including the partly paid up shares held by it), is 46.75%. By March 31, 2020 if these partly paid up shares, for any reason, are not converted into fully paid up shares, the shareholding of JM Financial Limited will further go down to 46.68%. Similarly, if these partly paid up shares are converted into fully paid-up shares, then its shareholding will go up to 47.05% from the date of conversion.

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

Sr. No.	Name, Designation	DIN	Age	Address	Director of the Company since	Occupation
1.	Mr. Vikram Pandit Non-Executive Chairman	07062676	62	310 East 53rd Street Apartment #29C New York, 10022 United States of America	06/01/2015	Finance Professional
2.	Mr. Hariharan Aiyar Non-Executive Vice-Chairman	01374306	51	1501, 15th Floor Lodha Costiera Nepean sea Road Mumbai – 400036	20/11/2014	Finance Professional
3.	Mr. V P Shetty Non-Executive Director	00021773	72	7 <sup>th</sup> Floor, Cnergy Appsaheb Marathe Marg, Prabhadevi Mumbai – 400 025	15/07/2014	Service
4.	Ms. Dipti Neelakantan Non-Executive Director	00505452	60	7 <sup>th</sup> Floor, Cnergy Appsaheb Marathe Marg, Prabhadevi Mumbai – 400 025	28/10/2015	Service
5.	Mr. Darius E Udawadia Independent Director	00009755	79	Empress Court, 142 M-Karve Road Mumbai - 400020	16/07/2015	Solicitor & Advocate
6.	Dr. Anup Shah Independent Director	00293207	42	502, Doli Chambers Strand Road, Colaba 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. Fair Square Financial Services EXL Service Virtusa Corporation
2.	Mr. Hariharan Ramamurthy Aiyar	SV India Opportunities Advisors Private Limited Build India Capital Advisors LLP Sical Distriparks Limited Suryakrupa Constructions Private Limited
3.	Mr. Vaddarse Prabhakar Shetty	JM Financial Asset Reconstruction Company Limited JM Financial Products Limited JM Financial Home Loans Limited JM Financial Asset Management Limited
4.	Mr. Darius E Udwardia	JM Financial Limited ABB India Limited Concast (India) Limited Quantum Advisors Private Limited Habasit Iakoka Private Limited The Bombay Burmah Trading Corp. Limited Conservation Corporation of India Private Limited Rossi Gearmotors (India) Private Limited Kamaludwadia Foundation
5.	Ms. Dipti Neelakantan	JM Financial Services Limited JM Financial Institutional Securities Limited Infinite India Investment Management limited Kampani Consultants Limited
7.	Dr. Anup Shah	JM Financial Services Limited JM Financial Capital Limited JM Financial Home Loans Limited Knowhowhub.com Private Limited Landmark Business Service Centre Private Limited Macro Investment and Financial Consultants Private Limited Claris Lifesciences Limited Jaicorp Limited Jaicorp Welfare Foundation Marathon Nextgen Realty Limited Health and Education Foundation Altheon Enterprises Limited Mahindra Susten Private Limited

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

Sr. No.	Name and Designation	DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
1.	Mr. Vishal Kampani	00009079	27/04/2018 (Date of Cessation)	15/07/2014 (Date of appointment)	Resigned as a Nominee 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, Tower 3, 27th - 32nd Floor, Elphinstone Mill Compound, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013, India Tel: +91 22 6185 4000; Fax: +91 22 6185 4601	22/01/2015

**A.f.ii. Details of change in auditor since last three years: None****A.g. Details of Borrowings of the Company, as on the latest quarter end:****A.g.i. Details of Secured Loan Facilities as on March 31, 2019**

Name of Bank / FI	Type of Facility	Sanctioned Amount (Rs. Crore)	Outstanding Amount (Rs. Crore)	Repayment Date / Schedule
Axis Bank Limited	Term Loan	1,000.0	400.0	Five equal half yearly instalments starting from 12 <sup>th</sup> month from first date of disbursement.
State Bank of India	Term Loan	1,500.0	999.5	18 equal monthly instalments of 83.3 million after moratorium of 30 months from the date of first disbursement.
State Bank of India	Term Loan	2,250.0	2,250.0	18 equal monthly instalments of 125.0 million after moratorium of 30 months from the date of first disbursement.
State Bank of India**	Term Loan	750.0	299.6	10 equal quarterly instalments of 75.0 million starting from 21 <sup>st</sup> month after moratorium of 18 months.
Syndicate Bank	Term Loan	2,000.0	2,000.0	8 equal quarterly instalments after moratorium of 24 months.
Bajaj Finance Limited <sup>#</sup>	Term Loan	750.0	750.0	4 equal quarterly instalments after moratorium of 24 months.
Bajaj Finance Limited <sup>#</sup>	Term Loan	500.0	500.0	4 equal quarterly instalments after moratorium of 24 months.
Bank of Baroda	Term Loan	1,500.0	1,500.0	8 quarterly instalments of 187.5 million after moratorium of 24 months.
Bank of Baroda	Term Loan	2,500.0	2,321.4	14 quarterly instalments after moratorium of 6 months with door-to-door tenor of 48 months.
Canara Bank	Term Loan	2,000.0	1,597.3	10 equated quarterly instalments, after a moratorium of 18 months.
The Federal Bank Limited	Term Loan	500.0	250.0	6 quarterly instalments after moratorium of 18 months from the date of first disbursement.
HDFC Bank Limited	Term Loan	500.0	270.8	Tenor: 36 months with principal payable quarterly.
HDFC Bank Limited	Term Loan	1,200.0	800.0	Tenor: 36 months with principal payable quarterly.
HDFC Bank Limited	Term Loan	500.0	430.6	Tenor: 36 months with principal payable monthly.

IDBI Bank	Term Loan	1,000.0	250.0	10 equal quarterly instalments after moratorium of 18 months.
Punjab National Bank	Term Loan	750.0	75.0	10 equal monthly instalments after 30 months moratorium.
Punjab National Bank	Term Loan	1,500.0	1,000.0	18 equal monthly instalments after 30 months moratorium.
Punjab National Bank	Term Loan	1,000.0	800.0	30 equal monthly instalments after 18 months moratorium.
RBL Bank Limited	Term Loan	1,500.0	1,500.0	10 Quarterly instalments after moratorium of 18 months starting from 21st month of disbursement.
IDFC First Bank Limited	Term Loan	1,500.0	1,000.0	6 equal half yearly instalments.
Indusind Bank Limited	Term Loan	1,000.0	875.0	24 equal monthly instalments after moratorium of 12 months.
Vijaya Bank	Term Loan	2,000.0	2,000.0	10 equal quarterly instalments after moratorium of 18 months.
The South Indian Bank Ltd	Term Loan	300.0	300.0	8 equal quarterly instalments after moratorium of 24 months.
	<b>Total</b>	<b>28,000.0</b>	<b>22,169.2</b>	

\* the credit limits are Secured by way of a first pari passu charge on standard book debts / book receivables

\*\*Previously State Bank of Mysore, prior to the merger with State Bank of India.

# secured by first pari passu charge over the book receivables / book debts which are not offered to the Banks for their credit facilities.

#### **A.g.ii. Details of Unsecured Loan Facilities as on March 31, 2019:**

Please refer to Commercial Paper details on page 35.

**A.g.iii. Details of NCDs as on March 31, 2019:**

Debenture Series	Tenor/ period (days)	Coupon (p.a.) in %	Amount (Rs. in Crore)	Date of Allotment	Redemption Date/ Schedule	Credit Rating
<b>Private Placement</b>						
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						
Option I	1062	Zero Coupon	6.20	16-06-16	14-05-19	ICRA AA / IND AA
Option II	1076		6.60		28-05-19	
Option III	1097		5.00		18-06-19	
Tranche W						
Option II	1061	9.7665	10.00	15-07-16	11-06-19	ICRA AA / IND AA
Option III	1095	9.78	7.50		15-07-19	
Option IV	1082	Nil	2.50		02-07-19	
Tranche X						
Option I	1095	9.70	100.00	30-08-16	30-08-19	ICRA AA / IND AA
Option II	1126	9.69	100.00		30-09-19	
Tranche Y						
Option I	1064	Nil	11.00	06-09-16	06-08-19	ICRA AA / IND AA
Option II	1085	Nil	5.70		27-08-19	
Tranche Z						
Option I	1063	Nil	6.50	14-10-16	12-09-19	ICRA AA / 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 / IND AA
Tranche AB	1220	Nil	5.70	27-02-17	01-07-20	ICRA AA / IND AA

Tranche AC	1155	Nil	3.70	06-03-17	04-05-20	ICRA AA / IND AA
Tranche AD						
Option I	1096	9.25	50.00	23-03-17	23-03-20	ICRA AA / 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 / IND AA
Tranche AF	1099	Nil	50.00	02-06-17	05-06-20	ICRA AA / IND AA
Tranche AG	1461	9.05	175.00	15-06-07	15-06-21	ICRA AA / IND AA
Tranche AH	1096	9.05	30.00	22-06-17	22-06-20	ICRA AA / IND AA
Tranche AI						
Option I	730	8.75	125.00	12-09-17	12-09-19	ICRA AA / 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 / IND AA
Tranche AK	1071	9.15	18.30	22-01-2017	28-12-2020	ICRA AA / IND AA
Tranche AL						
Option I	1278	Zero Coupon	50	12-03-2018	10-09-21	ICRA AA / IND AA
Option II	1369		20		10-12-21	
Option III	1149		13.50		04-05-21	
Tranche AM						
Option I	715	9.3037	125	22-03-2018	06-03-20	ICRA AA / IND AA
Option II	1181	Zero Coupon	100		15-06-21	
Option III	732	9.3133	50*		23-03-20	
Tranche AN						
Option I	1096	9.3606	40	23-03-2018	23-03-21	ICRA AA / IND AA
Option II	1180	Zero Coupon	14.90		15-06-21	
Tranche AO						
Option I	1177	Zero Coupon	5.10	26-03-2018	15-06-21	ICRA AA / IND AA
Option II	1093	9.3606	2.80		23-03-21	
Tranche AP	1133	Zero Coupon	45.40	28-03-2018	04-05-21	ICRA AA / IND AA
		<b>Total</b>	<b>1501.60</b>			
<b>Public Issue</b>						
<b>Debenture Series</b>	<b>Tenor/ period (months)</b>	<b>Coupon (p.a.) in %</b>	<b>Amount (Rs. in Crore)</b>	<b>Date of Allotment</b>	<b>Redemption Date/ Schedule</b>	<b>Credit Rating</b>
Tranche I			750	07-06-18		ICRA AA / IND AA

Option I	38	9.25			07-08-21	
Option II	38	N.A.			07-08-21	
Option III	60	9.50			07-06-23	
Option IV	60	9.11			07-06-23	
Option V	120	9.75			07-06-28	
Option VI	120	9.34			07-06-28	
Tranche II						
Option I	42	10.00	98.7164		13-06-22	ICRA AA / IND AA
Option II	42	N.A.	31.7271	13-12-18	13-06-22	
Option III	60	10.10	49.0947		13-12-23	
Option IV	60	9.67	42.8709		13-12-23	
Option V	120	10.25	25.0431		13-12-28	
Option VI	120	9.81	16.1546		13-12-28	
		<b>Total</b>	<b>1013.6068</b>			

\*1500 NCDs were bought back by the Company on February 28, 2019.

**A.g.iv. List of top 10 Debenture Holders as on March 31, 2019:**

Sr. No.	Name of Debenture Holders	Amount
1.	UTI - CREDIT RISK FUND	3,63,50,00,000
2.	HDFC TRUSTEE CO LTD A/C HDFC FMP 1302D SEPTEMBER 2	2,00,00,00,000
3.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	1,90,00,00,000
4.	CANARA BANK-MUMBAI	1,75,00,00,000
5.	RELIANCE CAPITAL TRUSTEE CO LTD A/C- RELIANCE CREDIT RISK FU	1,72,50,00,000
6.	ADITYA BIRLA FINANCE LIMITED	1,08,00,00,000
7.	BANK OF BARODA	1,00,00,00,000
8.	IDFC CREDIT RISK FUND	85,00,00,000
9.	BANK OF INDIA	50,00,00,000
10.	BRITANIA INDUSTRIES LIMITED	50,00,00,000

**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 March 31, 2019:****(Rs. in Million)**

Sr. No.	ISIN Numbers	Amount	Maturity Date
1	INE651J14AJ7	1,000.0	September 27, 19
2	INE651J14AM1	1,750.0	August 16, 2019
3	INE651J14AN9	1,000.0	August 23, 2019
4	INE651J14AP4	1,800.0	February 28, 2020
	<b>Total</b>	<b>5,550.0</b>	

\*Borrowing through commercial papers shown at face value without considering discount of Rs. 300.9 million

**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 46.75% of the paid up 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:**

Sr. No.	Name of the shareholders	Total no. of Equity shares	No. of shares	Total shareholding as % of total share capital	No. of Shares Pledged	% of Shares pledged with respect to shares owned
1.	JM Financial Limited with its nominees (fully paid up)	13,19,431	13,19,431	46.61%	0	0%
2.	JM Financial Limited (partly paid up)	19,837	19,837	0.14%	0	0%

Note:

(i) The percentage of shareholding is calculated on the paid-up value of shares.

(ii) The current holding of JM Financial Limited in the Company (including the partly paid up shares held by it), is 46.75%. By March 31, 2020 if these partly paid up shares, for any reason, are not converted into fully paid up shares, the shareholding of JM Financial Limited will further go down to 46.68%. Similarly, if these partly paid up shares are converted into fully paid-up shares, then its shareholding will go up to 47.05% from the date of conversion.

**A.i. & j. Abridged version of audited standalone financial information for the last three years ended March 31, 2019:****Abridged version of Balance Sheet as per IndAS****(Rs. In Million)**

Particulars		As at 31.03.2019	As at 31.03.2018
<b>ASSETS</b>			
<b>1</b>	<b>Financial Assets</b>		
A	Cash and cash equivalents	1,783.3	1,183.4
B	Bank balance other than (A) above	45.0	-
C	Loans	80,160.4	71,915.6
D	Investments	2,952.9	-
E	Other financial assets	40.6	0.4
		<b>84,982.2</b>	<b>73,099.4</b>
<b>2</b>	<b>Non-financial Assets</b>		
A	Current tax assets (net)	12.9	8.3
B	Deferred tax assets (net)	590.1	545.1
C	Property, plant and equipment	7.6	3.9
D	Other intangible assets	2.2	2.9
E	Other non-financial assets	30.2	4.9
		<b>643.0</b>	<b>565.1</b>
	<b>Total Assets</b>	<b>85,625.2</b>	<b>73,664.5</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1</b>	<b>Financial Liabilities</b>		
<b>A</b>	<b>Payables</b>		
	(l) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	112.3	28.5
B	Debt securities	32,485.6	30,369.3
C	Borrowings (Other than Debt securities)	23,564.3	26,244.8
D	Other financial liabilities	314.9	254.6
	<b>Total Financial Liabilities</b>	<b>56,477.1</b>	<b>56,897.2</b>
<b>2</b>	<b>Non-Financial Liabilities</b>		
A	Current tax liabilities (net)	31.7	17.8
B	Provisions	16.1	11.4
C	Other non-financial liabilities	7.3	53.2
	<b>Total Non-Financial Liabilities</b>	<b>55.1</b>	<b>82.4</b>
<b>3</b>	<b>EQUITY</b>		
A	Equity Share capital	28.3	25.0
B	Other Equity	29,064.7	16,659.9
	<b>Total Equity</b>	<b>29,093.0</b>	<b>16,684.9</b>
	<b>Total Liabilities and Equity</b>	<b>85,625.2</b>	<b>73,664.5</b>

Notes:

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

2. These numbers in the above financials are based on IND AS as applicable to NBFCs from April 1, 2018.

## Abridged version of Balance Sheet as per Indian GAAP

		As at 31.03.2018	As at 31.03.2017
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Shareholders' funds</b>		
	Share capital	25.0	25.0
	Reserves and surplus	17,390.6	14,107.7
		<b>17,415.6</b>	<b>14,132.7</b>
2	<b>Non-current liabilities</b>		
	Long-term borrowings	36,133.2	25,675.7
	Other long-term liabilities	456.5	237.8
	Long-term provisions	297.2	202.3
		<b>36,886.9</b>	<b>26,115.8</b>
3	<b>Current liabilities</b>		
	Short-term borrowings	8,403.7	8,525.2
	Trade payables:		
	Due to micro, small and medium enterprises		
	Others	28.5	19.6
	Other current liabilities	11,978.4	8,114.7
	Short-term provisions	98.6	3.3
		<b>20,509.2</b>	<b>16,662.8</b>
		<b>74,811.7</b>	<b>56,911.3</b>
<b>II.</b>	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	Property, plant and equipment	3.8	4.9
	Intangible assets	2.9	3.5
	Deferred tax assets (net)	158.5	123.8
	Long-term loans and advances	48,336.7	38,781.0
		<b>48,501.9</b>	<b>38,913.2</b>
2	<b>Current assets</b>		
	Cash and cash equivalents	1,183.4	17.0
	Short-term loans and advances	25,126.4	17,981.1
		<b>26,309.8</b>	<b>17,998.1</b>
		<b>74,811.7</b>	<b>56,911.3</b>

## Abridged Statement of Profit &amp; Loss as per IndAS

(Rs. In Million)

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>I.</b>	<b>Income:</b>		
	<b>Revenue from operations</b>		
	Interest income	12,580.1	9,231.1
	Fees and commission income	51.1	150.8
	Net gain on fair value changes	2.9	-
	Other operating income	156.8	19.6
	<b>Total Revenue from Operations</b>	<b>12,790.9</b>	<b>9,401.5</b>
	<b>Total Income</b>	<b>12,790.9</b>	<b>9,401.5</b>
<b>II.</b>	<b>Expenses:</b>		
	Finance costs	5,787.4	3,899.0
	Impairment on financial instruments	159.9	192.0
	Employee benefits expense	315.2	235.6
	Depreciation, amortization and impairment	2.3	2.3
	Operating and other expenses	262.6	236.5
	<b>Total expenses</b>	<b>6,527.4</b>	<b>4,565.4</b>
<b>III.</b>	Profit before Tax	<b>6,263.5</b>	<b>4,836.1</b>
<b>IV</b>	<b>Less: Tax expense</b>		
	Current tax	2,235.4	1,792.2
	Deferred tax	(42.0)	(105.3)
	Tax adjustment of earlier years(net)	6.2	-
		<b>2,199.6</b>	<b>1,686.9</b>
<b>V</b>	<b>Net Profit for the year</b>	<b>4,063.9</b>	<b>3,149.2</b>
<b>VI</b>	<b>Other Comprehensive Income</b>		
	(i) Items that will be reclassified to profit or loss	-	-
	(ii) Items that will not be reclassified to profit or loss		
	- Actuarial gain/(losses) on post-retirement benefit plans	(0.4)	(0.3)
	- Income tax on the above	0.1	0.1
	<b>Total Other Comprehensive Income</b>	<b>(0.3)</b>	<b>(0.2)</b>
<b>VII</b>	<b>Total Comprehensive Income</b>	<b>4,063.6</b>	<b>3,149.0</b>
<b>VIII</b>	<b>Earnings Per Equity Share</b> (Face value of Rs. 10/- each)		
	Basic (Rs.)	1,524.01	1,265.20
	Diluted (Rs.)	1,519.43	1,265.20

Notes:

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

2. These numbers in the above financials are based on IND AS as applicable to NBFCs from April 1, 2018.

## Abridged Statement of Profit &amp; Loss as per Indian GAAP

(Rs. In Million)

		For the year ended 31.03.2018	For the year ended 31.03.2017
<b>I.</b>	<b>Income:</b>		
(a)	Revenue from operations	9,579.7	7,868.5
(b)	Other income	19.6	15.1
	<b>Total Revenue</b>	<b>9,599.3</b>	<b>7,883.6</b>
<b>II.</b>	<b>Expenses:</b>		
(a)	Employee benefits expense	235.6	221.5
(b)	Finance costs	3,916.6	3,122.6
(c)	Provision for loans	167.9	76.0
(d)	Depreciation and amortization expense	2.3	2.1
(e)	Operating and other expenses	236.5	213.6
	<b>Total expenses</b>	<b>4,558.9</b>	<b>3,635.8</b>
<b>III.</b>	Profit before Tax	<b>5,040.4</b>	<b>4,247.8</b>
<b>IV</b>	<b>Less: Tax expense</b>		
	Current tax	1,792.2	1,523.6
	Deferred tax	(34.7)	(48.3)
		<b>1,757.5</b>	<b>1,475.3</b>
<b>V</b>	<b>Profit for the year</b>	<b>3,282.9</b>	<b>2,772.5</b>
<b>VI</b>	<b>Earning Per Equity Share</b> (Face value of Rs. 10/- each)		
	Basic	1,381.93	1,952.70
	Diluted	1,381.93	1,906.77

## Statement of Cash Flow as per IndAS

(Rs. In Million)

	Particulars	For the	For the
		year ended	year ended
		As at 31.03.2019	As at 31.03.2018
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	6263.5	4836.1
	<b>Adjustment for:</b>		
	Depreciation and amortisation expenses	2.3	2.3
	Profit on sale of investments (net realized and unrealized)	(139.0)	(19.6)
	Provision for gratuity	1.6	2.8
	Provision for compensated absences	1.7	1.5
	Provision for impairment	159.9	192.0
	Interest on fixed deposits	(2.7)	-
	Interest expenses - others	5.6	4.0
	<b>Operating profit before working capital changes</b>	<b>6,292.9</b>	<b>5,019.1</b>
	Adjustment for:		
	(Increase)/decrease in loans	(8,244.8)	(16,330.5)
	(Increase)/decrease in other financial and non-financial assets	(225.5)	(177.1)
	Increase in trade payables and other liabilities	98.2	80.7
	Decrease in Provisions	1.1	0.1
	<b>Cash (used in) operations</b>	<b>(2,078.1)</b>	<b>(11,407.7)</b>
	Direct taxes paid	(2,237.9)	(1,773.7)
	<b>Net cash (used in) operating activities</b>	<b>(4,316.0)</b>	<b>(13,181.4)</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of investments	(398,363.5)	(74,560.0)
	Sale of investments	395,549.6	74,579.6
	Fixed deposits placed with bank	(45.0)	-
	Interest received on bank deposits	2.8	-
	Purchase of fixed assets	(5.3)	(0.6)
	<b>Net cash (used in)/ generated from investment activities</b>	<b>(2,861.4)</b>	<b>19.0</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from issue of equity share	8,350.0	-
	Share issue expenses	(8.3)	-
	Interest paid	(0.1)	(0.1)
	Proceeds from debt securities	43,138.5	33,126.2
	Repayment of debt securities	(41,022.3)	(25,614.5)
	Proceeds from borrowings other than debt securities	5,110.6	12,700.0
	Repayment of borrowings other than debt securities	(7,791.1)	(5,882.8)
	<b>Net cash generated from financing activities</b>	<b>7,777.3</b>	<b>14,328.8</b>
	Net increase in Cash and cash equivalents	599.9	1,166.4
	Cash and cash equivalents at the beginning of the year	1,183.4	17.0
	<b>Cash and cash equivalents at the end of the year</b>	<b>1,783.3</b>	<b>1,183.4</b>

Notes:

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

2. These numbers in the above financials are based on IND AS as applicable to NBFCs from April 1, 2018.

## Statement of Cash Flow as per INGAAP

(Rs. In Million)

	Particulars	For the year ended	For the year ended
		As at 31.03.2018	As at 31.03.2017
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	5,040.4	4,247.8
	<b>Adjustment for:</b>		
	Depreciation and amortisation expenses	2.3	2.1
	Profit on sale of investments (net)	(19.6)	(12.5)
	Provision for gratuity	2.9	0.9
	Provision for compensated absences	1.5	0.4
	Provision for standard and non-performing assets	167.9	76.0
	Interest on fixed deposits	-	(1.1)
	Interest expenses - others	4.0	0.1
	Dividend income	-	(1.5)
	<b>Operating profit before working capital changes</b>	<b>5,199.4</b>	<b>4,312.2</b>
	Adjustment for:		
	Increase in long-term loans and advances and other current assets	(16,705.6)	(15,783.5)
	Increase in trade payables and other liabilities	322.0	325.7
	Decrease in Provisions	-	(0.6)
	<b>Cash (used in) operations</b>	<b>(11,184.2)</b>	<b>(11,146.2)</b>
	Direct taxes paid	(1,773.7)	(1,555.8)
	<b>Net cash (used in) operating activities</b>	<b>(12,957.9)</b>	<b>(12,702.0)</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of current investments – Others	(74,540.4)	(45,055.0)
	Sale of current investments – Others	74,560.0	45,067.5
	Purchase of fixed assets	(0.6)	(7.4)
	Interest received on Bank Deposits	-	1.1
	Dividend Income	-	1.5
	<b>Net cash generated from investment activities</b>	<b>19.0</b>	<b>7.7</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Interest paid	(0.1)	(0.1)
	Proceeds from long-term borrowings	22,349.8	14,325.0
	Repayment of long-term borrowings	(8,122.9)	(2,976.9)
	Proceeds from short-term borrowings	22,015.7	82,299.2
	Repayment of short-term borrowings	(22,137.2)	(81,954.5)
	<b>Net cash generated from financing activities</b>	<b>14,105.3</b>	<b>11,692.7</b>
	Net increase / (Decrease) in Cash and cash equivalents	1,166.4	(1,001.6)
	Cash and cash equivalents at the beginning of the year	17.0	1,018.6
	<b>Cash and cash equivalents at the end of the year</b>	<b>1,183.4</b>	<b>17.0</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

Contact Person: Mr. Dinesh Ladwa, Vice President

Email: dinesh.ladwa@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 June 6, 2019 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 issued under this Disclosure Document.

**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 1,000 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of the face value of Rs. 10,00,000 (Rupees Ten Lakh only) each for cash aggregating upto Rs. 100,00,00,000/- (Rupees One Hundred Crore only) on a private placement basis.

Pursuant to a resolution dated October 25, 2018 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. 12,500 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 October 24, 2018 and by the members at its Extra-ordinary General meeting held on May 17, 2019, which has inter-alia approved the issue of Non-Convertible Debentures of Rs. 4,000 Crore by way of private placement of NCDs and Rs. 4,000 Crore by way of public issuance of NCDs.

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

### **SUMMARY TERM SHEET – TRANCHE AQ – 2019 (XII)**

**Private Placement of upto 1,000 Secured, Rated, Listed, Redeemable Non-Convertible Debentures (“Debentures” or “NCDs”) of the face value of Rs. 10,00,000/- (Rupees Ten Lakh) each for cash aggregating upto Rs. 100,00,00,000/- (Rupees One Hundred Crore only).**

#### **A. Common Terms of the Tranche AQ NCDs**

Issuer	JM Financial Credit Solutions Limited
Arranger	None
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 June 6, 2019.</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 “IND AA/Stable” rating for long term borrowings upto Rs. 5,000 Crore through NCDs (private placement and public issue) and ICRA Limited has assigned [ICRA]AA rating with stable outlook for long term borrowings upto Rs. 3,000 Crore through private placement of NCDs.
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 onward lending, financing, repayment / prepayment of interest and principal of existing borrowers of the Company and general corporate purposes. Further, the Company, may pending utilization of the proceeds out of the issue of the NCDs, temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board / any Committee thereof, as the case may be.
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.
Face Value	Rs. 10,00,000/- (Rs. Ten Lakh only) per Tranche AQ NCD
Minimum Application and in multiples of __ Debt securities thereafter	Minimum 10 Debentures and in multiples of 1 thereafter
Issue Timing 1. Issue Opening Date 2. Issue Closing Date 3. Pay-in Date 4. Deemed Date of Allotment	June 10, 2019 June 10, 2019 June 10, 2019 June 10, 2019
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.

	<p>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.</p> <p>Also refer Note 10 herein below</p>
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 June 20, 2018 has been executed between the Issuer and the Debenture Trustee viz., IDBI Trusteeship Services Limited creating security to the extent of Rs. 2,000 Crore in favour of the Debenture Trustee to cover various issuances up to Rs. 2,000 Crore. The outstanding amount under this Debenture Trust Deed as on the date of issue of these NCDs is Rs. 425 Crore (excluding the amount of the present issue of NCDs). This DD is issued under the said Debenture Trust Deed dated June 20, 2018. The security cover will be maintained post issuance of Tranche AQ – 2019 (XII) 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, Supplemental Debenture Trust Deed, Debenture Trustee Agreement 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 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 the Debenture Trust Deed to be executed including any amendment, 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, Supplemental 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
Security Name	10.29% JMFCSL 10/12/2020	0% JMFCSL 10/06/2021
Number of Debentures	Upto 500 Debentures	Upto 500 Debentures
Issue Size	Upto Rs. 50 Crore	Upto Rs. 50 Crore
Issue Price	Rs. 10,00,000/- each	Rs. 10,00,000/- each
Discount at which security is issued and the effective yield as a result of such discount.	None	None
Interest/Coupon Rate	10.29% p.a.	Zero (0%) p.a.
Implicit yield (XIRR basis)	10.3582% p.a.	10.5000% p.a.
Step Up/Step Down Coupon Rate	None	None
Coupon Payment Frequency	Coupon calculated annually, payable on maturity.	Not Applicable
Coupon payment dates	December 10, 2020	Not Applicable
Coupon/ Implicit Yield Type	Fixed	Not Applicable
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	None	Not Applicable
Tenor	549 days	731 days
Redemption Date	December 10, 2020	June 10, 2021
Redemption Premium	Not Applicable	Rs. 2,21,358/- per Debenture
Redemption Amount	Rs. 10,00,000/- per Debenture	Rs. 12,21,358/- per Debenture
Put Option Date	None	None
Put Option Price	None	None
Call Option Date	None	None
Call Option Price	None	None
Put Notification Time	Not Applicable	Not Applicable
Call Notification Time	Not Applicable	Not Applicable
Arranger	None	None

Cash flows for the above Tranche AQ NCDs:

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

Cash flows	Date	No. of days in coupon payment	Amount (in Rupees) (per NCD)
Redemption amount (including interest)	December 10, 2020	549 days	11,59,800/-

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

Cash flows	Date	No. of days in redemption	Amount (in Rupees) (per NCD)
Redemption amount (including premium)	June 10, 2021	731 days	12,21,358/-

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 June 20, 2018 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. 2,000 Crore. The outstanding amount under this Debenture Trust Deed as on the date of issue of these NCDs is Rs. 425 Crore (excluding the amount of the present issue of NCDs). This DD is issued under the said Debenture Trust Deed dated June 20, 2018. The security cover will be maintained post issuance of Tranche AQ – 2019 (XII) 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 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. 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.

Clause 13.2 (Acceleration Clauses) of the Debenture Trust Deed dated June 20, 2018 read with the Supplemental Debenture Trust Deed dated January 29, 2019, will not apply to the NCDs issued under this DD.

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

A debenture trust deed dated June 20, 2018 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. 2,000 Crore. The outstanding amount under

this Debenture Trust Deed as on the date of issue of these NCDs is Rs. 425 Crore (excluding the amount of the present issue of NCDs). This DD is issued under the said Debenture Trust Deed dated June 20, 2018. The security cover will be maintained post issuance of Tranche AQ – 2019 (XII) 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.

**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.

**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 including Supplemental Trust Deed, if any.

**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. Subscription and Shareholders' Agreement dated September 27, 2018, executed by and between the Company, JM Financial Limited, INH Mauritius 1, Mrs. Aparna Murthy Aiyar and Moraine Master Fund LP
5. Resolution of the Board of Directors passed at its meeting held on October 24, 2018 approving, inter-alia, the issue of Non-Convertible Debentures aggregating upto Rs. 4000,00,00,000/- on private placement basis (Rupees Four Thousand Crore only)
6. 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
7. Resolution passed by the shareholders of the Company at the Extra-ordinary General Meeting held on October 25, 2018 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. 1250,00,00,000/- (Rupees One Thousand Two Hundred and Fifty Crore only)
8. Resolution passed by the shareholders of the Company at the Extra-ordinary General Meeting held on May 17, 2019 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. 4,000 Crore (Rupees Four Thousand Crore only), on private placement basis and Rs. 4,000 Crore (Rupees Four Thousand Crore only) on public issue 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.
9. 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
10. Letter dated June 3, 2019 from India Ratings and Research Private Limited and letter dated June 5, 2019 from ICRA Limited, assigning credit rating to the NCDs
11. Tripartite agreement between the Company, Registrar and CDSL
12. Tripartite agreement between the Company, Registrar and NSDL
13. 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.
14. Consent letter issued by Karvy Fintech Private Limited dated June 6, 2019, 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
15. 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
16. 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
17. 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
  18. 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
  19. 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
  20. 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)
  21. Disclosure Document dated March 9, 2018 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 83,50,00,000/- (Rupees Eighty Three Crore Fifty Lakh only)
  22. Disclosure Document dated March 21, 2018 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 425,00,00,000/- (Rupees Four Hundred and Twenty Five Crore only)
  23. Disclosure Document dated March 22, 2018 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 54,90,00,000/- (Rupees Fifty Four Crore and Ninety Lakh only)
  24. Disclosure Document dated March 23, 2018 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 7,90,00,000/- (Rupees Seven Crore and Ninety Lakh only)
  25. Disclosure Document dated March 23, 2018 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 4,54,00,000/- (Rupees Four Crore and Fifty Four Lakh only)
  26. 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)
  27. 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)
  28. 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)
  29. 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)
  30. 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)

31. Debenture Trust Deed dated June 5, 2018 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. 2000,00,00,000/- (Rupees Two Thousand Crore)
32. Debenture Trust Deed dated June 20, 2018 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. 2000,00,00,000/- (Rupees Two Thousand 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 October 24, 2018 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



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

Place: Mumbai  
Date: June 7, 2019

## 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 www.jmfinancialcreditsolutions.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.	27-28
e.	Names, addresses, DIN and occupations of the directors.	27
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: (i) Statutory dues; (ii) Debentures and interest thereon; (iii) Deposits and interest thereon; and (iv) Loan from any bank or financial institution and interest thereon.	None
h.	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.	October 24, 2018
b.	Date of passing of resolution in the general meeting, authorising the offer of securities.	May 17, 2019
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.	49

Sr. No.	Disclosure Requirements	Page No.
e.	Name and address of the valuer who performed valuation of the security offered.	Not Applicable
f.	Amount which the company intends to raise by way of securities.	49
g.	Terms of raising of securities: (i)Duration, if applicable; (ii)Rate of dividend; (iii)Rate of interest; (iv)Mode of payment; and (v)Repayment.	52 Not Applicable Not Applicable 50 50
h.	Proposed time schedule for which the offer letter is valid.	50
i.	Purposes and objects of the offer.	50
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).	Apart from the sitting fees and commission to Director(s), no other remuneration is paid to them.
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	None

Sr. No.	Disclosure Requirements	Page No.
	company for each of the said reservations or qualifications or adverse remark.	
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.	None
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	None
<b>4.</b>	<b>FINANCIAL POSITION OF THE COMPANY</b>	
a.	The capital structure of the company in the following manner in a tabular form:	
(i)(a)	The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	23
(b)	Size of the present offer; and	Not Applicable
(c)	Paid up capital: (A)After the offer; and (B)After conversion of convertible instruments (if applicable);	Not Applicable 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.	24
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	24
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.	39-40
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).	The Board of Directors, at its meeting held on April 30, 2019, recommended a dividend of Re. 1/- per share. The same is subject to the approval of the members at its

Sr. No.	Disclosure Requirements	Page No.
		forthcoming Annual General Meeting.
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.	37-38
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	41-42
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 2018-19, 2017-18 and 2016-17**

**D – APPLICATION FORM**