

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 or 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.

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 U74140MH1980PLC022644.

**Registered Office:** 7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025  
**Tel:** (022) 6630 3030 **Fax :** (022) 6630 3223

**Compliance Officer / Contact Person:** 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 500 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs" OR "TRANCHE AT NCDs") OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) EACH FOR CASH AGGREGATING UPTO RS 50,00,00,000/- (RUPEES FIFTY 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 August 16, 2019.

This Disclosure Document is dated August 16, 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

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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

<b>Term</b>	<b>Description</b>
JM Financial Credit Solutions Limited / 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	JM Financial Credit Solutions Limited, a public limited company

### Company related terms

<b>Term</b>	<b>Description</b>
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

<b>Term</b>	<b>Description</b>
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)	500 Secured, Rated, Listed, Redeemable Non-Convertible Debenture(s) (Tranche AT) of the face value of 10,00,000/- (Rupees Ten lakh only) each for cash aggregating upto Rs. 50,00,00,000/- (Rupees Fifty 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 AT NCDs being August 23, 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 AT – 2019 (XV)	Shall mean all 500 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 immoveable. The value of the security/collateral granted in favour of the Company, as the case may be, may decline due to adverse market and economic conditions (both global and domestic), delays in insolvency, winding up and foreclosure proceedings, defects in title, difficulty in locating moveable assets, inadequate documentation in respect of assets secured and the necessity of obtaining regulatory approvals for the enforcement of assets and the Company may not be able to recover the estimated value of the assets, thus exposing it to potential losses. Any delay in enforcing the collateral due to delays in enforcement proceedings before Indian courts or otherwise could also expose the Company to potential losses.
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. 6,500 Crore through NCDs and ICRA Limited has assigned [ICRA]AA rating with stable outlook for long term borrowings upto Rs. 6,500 Crore through NCDs. The Company cannot guarantee that this rating will not be downgraded. In the event of deterioration in the financial health of the Company, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, potential investors may have to take losses on re-valuation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms. Such a downgrade in the credit rating may lower the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures could be affected.
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: <a href="mailto:dinesh.ladwa@idbitrustee.com">dinesh.ladwa@idbitrustee.com</a> ; 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 <a href="mailto:Varghese@karvy.com">Varghese@karvy.com</a> 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: <a href="http://www.2deloitte.com">www.2deloitte.com</a>

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 June 30, 2019**

The Company has a branch office at Delhi, Chennai and Bengaluru. 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

**Bengaluru:**

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

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

The corporate structure of the Company as on June 30, 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	46.35%
	JM Financial Limited <b>(partly paid up)</b> [Refer Note (ii)]	19,837	0.70%
2.	INH Mauritius 1	13,84,087	48.62%
3.	Moraine Master Fund LP	84,343	2.96%
4.	Ms. Aparna Aiyar	38,955	1.37%
	<b>Total</b>	<b>28,46,653</b>	<b>100.00%</b>

*Note:*

(i) The percentage of shareholding is calculated on the face value of Equity Shares.

(ii) JM Financial Limited holds 19,837 partly paid up Equity Shares. By March 31, 2020, if these partly paid up Equity Shares are not fully paid up, the equity shareholding of JM Financial Limited will reduce to 46.68%.

**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	14,132.7	17,415.6	29,093.0
Total debt			
i) Non-current maturities of long term borrowings	25,675.7	36,133.2	30,452.5
ii) Short term borrowings	8,525.2	8,403.7	6,611.4
iii) Current maturities of long term borrowings	7,181.4	10,950.8	18,986.1
Net fixed assets	8.5	6.7	9.8
Non-current assets	38,913.2	48,501.9	59,779.1
Cash and cash equivalents	17.0	1,183.4	1,783.3
Current investments	-	-	2,702.9
Current assets	17,998.1	26,309.8	25,846.1
Current liabilities	16,662.9	20,509.2	25,937.7
Assets under management	-	-	-
Off balance sheet assets	-	-	-
Interest income from funding activities	7,077.4	8,697.5	12,580.1
Interest expense	3,122.6	3,916.6	5,787.4
Provisioning and write – offs	76.0	167.9	159.9
PAT	2,772.5	3,282.9	4,063.6
Gross NPA (%)	-	1.0%	1.1%
Net NPA (%)	-	0.9%	0.9%
Tier I Capital Adequacy Ratio (%)	24.5%	22.1%	33.6%
Tier II Capital Adequacy Ratio (%)	0.4%	0.4%	0.7%

\*The key operational and financial parameters for Fiscal 2017 and Fiscal 2018 have been prepared in accordance with the Indian GAAP. Please note that on account of change in applicable law, the key operational and financial parameters for the year ended March 31, 2019, are prepared in accordance with the IND AS. Therefore, the key performance indicators pertaining to the the year ended March 31, 2019 are not comparable with the key parameters pertaining to Fiscal 2017 and Fiscal 2018.

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

Before the issue of NCDs*#	1.93
After the issue of NCDs*^#	1.94

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

^ Assuming issue of NCDs of Rs. 50,00,00,000/- (Rupees Fifty 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:

Rs. 750 Crore under Tranche I Issue; and

Rs. 263.61 Crore under Tranche II Issue.

**A.c.i. Details of Share Capital as on June 30, 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>	<b>Issued and Subscribed Share Capital:</b> Rs. 2,84,66,530/- (Rupees Two Crore Eighty Four Lakh Sixty Six Thousand Five Hundred and Thirty 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.  <b>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 June 30, 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 June 30, 2019:**

The history of equity share capital raised by the Company till June 30, 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	8,66,99,25,760*
July 21, 2017	34,204	10	-	-	Conversion of CCPS into Equity Shares <sup>6</sup>	24,99,500	2,49,95,000	8,81,73,45,000*
September 28, 2018	3,22,565	10	25,205	Cash	Private placement <sup>7</sup>	28,22,065	2,82,20,650	16,94,43,70,175
September 28, 2018	19,837	10	25,205	Cash	Private placement <sup>8</sup>	28,41,902	2,82,60,324	17,04,43,28,818
November 30, 2018	4,751	10	25,205	Cash	Private placement <sup>9</sup>	28,46,653	2,83,07,834	17,16,40,30,263

\* 1,249,496 CCPS were allotted on November 20, 2014 at a premium of Rs. 4,310 per CCPS. The securities premium account was accordingly credited with a total of Rs. 5,385,327,760 upon allotment of the CCPS.

1. Allotment of Equity Shares to Navinchandra Kampani (1), Mahendrakumar Kampani (1), Nimesh Kampani (1), Aruna Kampani (1), Nalin Mehta (1), Lila Mehta (1) and Belman Anchan (1).
2. Allotment of Equity Shares to several applicants pursuant to Initial Public Offer (49,993) (2).
3. Allotment of Equity Shares on rights basis to JMFL (12,00,000) (3).
4. Allotment of Equity Shares pursuant to private placement offer to INH Mauritius 1 (4).
5. Allotment of Equity Shares upon conversion of CCPS held by INH Mauritius 1(12,15,292) (CCPS were allotted on November 20, 2014) (5).
6. Allotment of Equity Shares upon conversion of CCPS held by Ms. Aparna Aiyar (34,204) (CCPS were allotted on November 20, 2014) (6).
7. 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).
8. 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).

9. 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 June 30, 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/-	46.35
	JM Financial Limited (partly paid up) [Refer Note (ii)]	19,837	10//-	0.70
2.	INH Mauritius 1	13,84,087	10/-	48.62
3.	Ms. Aparna Aiyar	38,955	10/-	1.37
4.	Moraine Master Fund LP	84,343	10/-	2.96
<b>Total</b>		<b>28,46,653</b>	-	<b>100.00%</b>

*Note:*

(i) The percentage of shareholding is calculated on the face value of Equity Shares.

(ii) JM Financial Limited holds 19,837 partly paid up Equity Shares. By March 31, 2020, if these partly paid up Equity Shares are not fully paid up, the equity shareholding of JM Financial Limited will reduce to 46.68%.

**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 June 30, 2019 is as under:

Sr. No.	Name of the Shareholder	Number of equity shares held (face value of Rs. 10/- each)	% of total shares
1.	JM Financial Limited along with its nominees (fully paid up)	13,19,431	46.35
	JM Financial Limited (partly paid up)	19,837	0.70
2.	INH Mauritius 1	13,84,087	48.62
3.	Moraine Master Fund LP	84,343	2.96
4.	Ms. Aparna Aiyar	38,955	1.37
	<b>Total</b>	<b>28,46,653</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 face value of Equity Shares.

(iii) JM Financial Limited holds 19,837 partly paid up Equity Shares. By March 31, 2020, if these partly paid up Equity Shares are not fully paid up, the equity shareholding of JM Financial Limited will reduce to 46.68%.

**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 Appsahab Marathe Marg, Prabhadevi Mumbai – 400 025	15/07/2014	Service
4.	Ms. Dipti Neelakantan Non-Executive Director	00505452	61	7 <sup>th</sup> Floor, Cnergy Appsahab Marathe Marg, Prabhadevi Mumbai – 400 025	28/10/2015	Service
5.	Mr. Darius E Udwadia 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
7.	Mr. Vishal Kampani Non-Executive Vice-Chairman	00009079	42	7 <sup>th</sup> Floor, Cnergy Appsahab Marathe Marg, Prabhadevi Mumbai – 400 025	01/08/2019	Service
8.	Mr. Satish Chand Mathur Independent Director	03641285	61	Flat No. 81, 8th Floor, Jupiter Apartment, 41 Cuffe Parade, Near Taj Vivanta, Mumbai – 400005	01/08/2019	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:**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Details of other directorship</b>
1.	Mr. Vikram Pandit	Bombardier Inc. EXL Service Fair Square Financial Services Virtusa Corporation
2.	Mr. Hariharan Ramamurthy Aiyar	SV India Opportunities Advisors Private Limited INH Mauritius 1 INH Mauritius 2
3.	Mr. Vaddarse Prabhakar Shetty	JM Financial Products Limited JM Financial Asset Reconstruction Company Limited JM Financial Home Loans Limited JM Financial Asset Management Limited
4.	Mr. Darius E Udwadia	JM Financial Limited ABB India Limited Concast (India) Limited Conservation Corporation of India Private Limited Habasit Iakoka Private Limited Kamaludwadia Foundation Quantum Advisors Private Limited Rossi Gearmotors (India) Private Limited
5.	Ms. Dipti Neelakantan	JM Financial Services Limited JM Financial Institutional Securities Limited Infinite India Investment Management limited Kampani Consultants Limited
6.	Dr. Anup Shah	JM Financial Services Limited JM Financial Capital Limited JM Financial Home Loans Limited Altheon Enterprises Limited Claris Lifesciences Limited Health and Education Foundation Jaicorp Limited Jaicorp Welfare Foundation Knowhowhub.com Private Limited Landmark Business Service Centre Private Limited Macro Investment and Financial Consultants Private Limited Mahindra Susten Private Limited Marathon Nextgen Realty Limited
7	Mr. Vishal Kampani	JM Financial Limited JM Financial Products Limited JM Financial Capital Limited JM Financial Services Limited Infinite India Investment Management Limited J.M. Financial & Investment Consultancy Services Private

Sr. No.	Name of the Director	Details of other directorship
		Limited Capital Market Publishers India Private Limited JM Financial Singapore Pte. Ltd. JM Financial Institutional Securities Limited JM Financial Home Loans Limited
8	Mr. Satish Chand Mathur	JM Financial Asset Reconstruction Company Limited Tilaknagar Industries Limited Indiabulls Housing Finance Limited Topsgrup Service (India) 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
2.	Mr. Vishal Kampani	00009079	01/08/2019	Not Applicable	Appointed as a Nominee Director designated as Vice-Chairman
3.	Mr. Satish Chand Mathur	03641285	01/08/2019	Not Applicable	Appointed as an Independent Director

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

Name	Address	Auditor since
Deloitte Haskins & Sells LLP	Indiabulls Finance Centre, 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 June 30, 2019****a. Term Loan**

Sr. No.	Bank/ Financial institution	Date of sanction	Amount sanctioned* (Rs. in Million)	Amount outstanding as on June 30, 2019	Repayment date/ schedule
1.	Axis Bank Limited	March 23, 2017	1,000.0	400.0	Five equal half yearly instalments from 12 months from first date of disbursement
2.	State Bank of India	February 22, 2016	1,500.0	749.6	18 equal monthly instalments of 83.3 million after moratorium of 30 months from the date of first disbursement
3.	State Bank of India	January 30, 2017	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
4.	State Bank of India**	March 22, 2016	750.0	224.1	10 equal quarterly instalments of 75.0 million starting from 21st months after moratorium of 18 months
5.	Syndicate Bank	September 26, 2017	2,000.0	2,000.0	8 equal quarterly instalment after moratorium of 24 months
6.	Bajaj Finance Limited <sup>#</sup>	February 26, 2018	750.0	750.0	4 equal quarterly instalments after moratorium of 24 months
7.	Bajaj Finance Limited <sup>#</sup>	September 08, 2017	500.0	500.0	4 equal quarterly instalments after moratorium of 24 months
8.	Bank of Baroda	March 10, 2017	1,500.0	1,312.5	8 quarterly instalments of 187.5 million after moratorium of 24 months
9.	Bank of Baroda	March 28, 2018	2,500.0	2,142.8	14 quarterly instalments after moratorium of 6 months with door-to-door tenor of 48 months
10.	Canara Bank	March 21, 2017	2,000.0	1,397.3	10 equated quarterly instalments, after a moratorium of 18 months
11.	The Federal Bank Limited	December 09, 2016	500.0	166.7	6 quarterly instalments after moratorium of 18 months from the date of first disbursement
12.	HDFC Bank Limited	September 20, 2017	500.0	229.2	Tenor : 36 months with principal payable quarterly
13.	HDFC Bank Limited	March 29, 2018	1,200.0	700.0	Tenor : 36 months with principal payable quarterly
14.	HDFC Bank Limited	October 8, 2018	500.0	388.9	Tenor : 36 months with principal payable monthly
15.	IDBI Bank	April 07, 2016	1,000.0	150.0	10 equal quarterly instalments of after moratorium of 18 months
16.	Punjab National Bank	March 17, 2016	1,500.0	750.0	18 equal monthly instalment after 30 months moratorium

17.	Punjab National Bank	March 17, 2017	1,000.0	700.0	30 equal monthly instalment after 18 months moratorium
18.	RBL Bank Limited	September 25, 2017	1,500.0	1,500.0	10 Quarterly instalments after moratorium of 18 months starting from 21st month of disbursement
19.	IDFC First Bank Limited	December 29, 2017	1,500.0	833.3	6 equal half yearly instalments
20.	Indusind Bank Limited	December 29, 2017	1,000.0	750.0	24 equal monthly instalments after moratorium of 12 months
21.	Bank of Baroda (Erstwhile Vijaya Bank merged with Bank of Baroda with effect from 01.04.2019)	February 14, 2018	2,000.0	2,000.0	10 equal quarterly instalment after moratorium of 18 months
22.	The South Indian Bank Ltd	March 6, 2019	300.0	300.0	8 equal quarterly instalment after moratorium of 24 months.
<b>TOTAL</b>			<b>27,250.0</b>	<b>20,194.4</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.

### b. Working Capital facilities

Sr. No.	Bank	Date of Sanction	Amount sanctioned* (Rs. In Million)	Amount outstanding as on June 30, 2019 (Rs. In Million)
1.	State Bank of India	March 30, 2015	1,000.0	0.0
2.	HDFC Bank	March 01, 2016	100.0	0.0
3.	IDBI Bank	October 20, 2015	500.0	0.0
4.	Punjab National Bank	September 30, 2015	250.0	0.0
5.	Bank of Baroda	March 28, 2018	1,000.0	0.0
<b>Total</b>			<b>2,850.0</b>	<b>0.00</b>

### A.g.ii. Details of Unsecured Loan Facilities as on June 30, 2019:

Please refer to Commercial Paper details on page 33.

### A.g.iii. Details of NCDs as on June 30, 2019:

Debenture Series	Tenor/ period (days)	Coupon (p.a.) in %	Amount (in million)	Date of Allotment	Redemption Date/ Schedule	Credit Rating
Tranche J	2008	9.70	200.0	February 09, 2016	August 09, 2021	ICRA AA (Stable)/ IND AA(Stable)
Tranche K	2008	9.70	100.0	February 26, 2016	August 26, 2021	ICRA AA(Stable) / IND AA(Stable)
Tranche S	1826	9.50	50.0	May 06, 2016	May 06, 2021	ICRA AA (Stable)/ IND AA(Stable)
Tranche T	1826	9.50	100.0	May 24, 2016	May 24, 2021	ICRA AA (Stable)/ IND AA(Stable)
Tranche U	1826	9.50	100.0	May 31, 2016	May 31, 2021	ICRA AA(Stable) / IND AA(Stable)
Tranche W-Option III	1095	9.78	75.0	July 15, 2016	July 15, 2019	IND AA(Stable)
Tranche W-Option IV	1082	Zero Coupon	25.0		July 02, 2019	
Tranche X-Option I	1095	9.70	1,000.0	August 30, 2016	August 30, 2019	ICRA AA(Stable) / IND AA(Stable)
Tranche X-Option II	1126	9.69	1,000.0		September 30, 2019	

Debenture Series	Tenor/ period (days)	Coupon (p.a.) in %	Amount (in million)	Date of Allotment	Redemption Date/ Schedule	Credit Rating
Tranche Y- Option I	1064	Zero Coupon	110.0	September 06, 2016	August 06, 2019	ICRA AA(Stable) / IND AA(Stable)
Tranche Y- Option II	1085	Zero Coupon	57.0		August 27, 2019	
Tranche Z- Option I	1063	Zero Coupon	65.0	October 14, 2016	September 12, 2019	ICRA AA(Stable) / IND AA(Stable)
Tranche Z- Option II	1075		105.0		September 24, 2019	
Tranche Z- Option III	1089		50.0		October 08, 2019	
Tranche Z- Option IV	1110		30.0		October 29, 2019	
Tranche AA	1170	Zero Coupon	46.0	January 23, 2017	April 07, 2020	ICRA AA(Stable) / IND AA(Stable)
Tranche AB	1220	Zero Coupon	57.0	February 27, 2017	July 01, 2020	ICRA AA(Stable) / IND AA(Stable)
Tranche AC	1155	Zero Coupon	37.0	March 06, 2017	May 04, 2020	ICRA AA(Stable) / IND AA(Stable)
Tranche AD- Option I	1096	9.25	500.0	March 23, 2017	March 23, 2020	ICRA AA(Stable) / IND AA(Stable)
Tranche AD- Option II	1826	9.00	100.0		March 23, 2022	
Tranche AD- Option III	1096	Zero Coupon	500.0		March 23, 2020	
Tranche AD- Option IV	1140	Zero Coupon	20.0		May 06, 2020	
Tranche AE	1822	9.20	700.0	March 29, 2017	March 25, 2022	ICRA AA(Stable) / IND AA(Stable)
Tranche AF	1099	Zero Coupon	500.0	June 02, 2017	June 05, 2020	ICRA AA(Stable) / IND AA(Stable)
Tranche AG	1461	9.05	1,750.0	June 15, 2017	June 15, 2021	ICRA AA(Stable) / IND AA(Stable)
Tranche AH	1096	9.05	300.0	June 22, 2017	June 22, 2020	ICRA AA(Stable) / IND AA(Stable)
Tranche AI- Option I	730	8.75	1,250.0	September 12, 2017	September 12, 2019	ICRA AA(Stable) / IND AA(Stable)
Tranche AI- Option II	1099	Zero Coupon	250.0		September 15, 2020	
Tranche AJ	1096	9.15	500.0	December 28, 2017	December 28, 2020	ICRA AA(Stable) / IND AA(Stable)
Tranche AK	1071	9.15	179.0	January 22, 2018	December 28, 2020	ICRA AA(Stable) / IND AA(Stable)
Tranche AL- Option I	1278	Zero Coupon	500.0	March 12, 2018	September 10, 2021	ICRA AA(Stable) / IND AA(Stable)
Tranche AL- Option II	1369	Zero Coupon	200.0		December 10, 2021	
Tranche AL- Option III	1149	Zero Coupon	135.0		May 04, 2021	
Tranche AM- Option II	1181	Zero Coupon	1,000.0	March 22, 2018	June 15, 2021	ICRA AA(Stable) / IND AA(Stable)
Tranche AM- Option III	732	9.3133	500.0	March 22, 2018	March 23, 2020	
Tranche AN- Option I	1096	9.3606	400.0	March 23, 2018	March 23, 2021	ICRA AA(Stable) / IND AA(Stable)
Tranche AN- Option II	1180	Zero Coupon	149.0	March 23, 2018	June 15, 2021	
Tranche AO- Option I	1177	Zero Coupon	51.0	March 26, 2018	June 15, 2021	ICRA AA(Stable) / IND AA(Stable)
Tranche AO- Option II	1093	9.3606	28.0	March 26, 2018	March 23, 2021	
Tranche AP	1133	Zero Coupon	454.0	March 28, 2018	May 04. 2021	ICRA AA(Stable) / IND AA(Stable)

Debenture Series	Tenor/ period (days)	Coupon (p.a.) in %	Amount (in million)	Date of Allotment	Redemption Date/ Schedule	Credit Rating
Tranche I- Option I ^	1157	9.25	1,165.2	June 07, 2018	August 07, 2021	ICRA AA(Stable) / IND AA(Stable)
Tranche I- Option II ^	1157	Zero Coupon	243.9	June 07, 2018	August 07, 2021	
Tranche I - Option III ^	1826	9.50	3,653.1	June 07, 2018	June 07, 2023	
Tranche I - Option IV ^	1826	9.11	170.3	June 07, 2018	June 07, 2023	
Tranche I - Option V ^	3653	9.75	2,148.1	June 07, 2018	June 07, 2028	
Tranche I - Option VI ^	3653	9.34	119.4	June 07, 2018	June 07, 2028	
Tranche II- Option I ^	1278	10.00	987.2	December 13, 2018	June 13, 2022	ICRA AA(Stable) / IND AA(Stable)
Tranche II- Option II ^	1278	Zero Coupon	317.3	December 13, 2018	June 13, 2022	
Tranche II- Option III ^	1826	10.10	490.9	December 13, 2018	December 13, 2023	
Tranche II- Option IV ^	1826	9.67	428.7	December 13, 2018	December 13, 2023	
Tranche II- Option V ^	3653	10.25	250.4	December 13, 2018	December 13, 2028	
Tranche II- Option VI ^	3653	9.81	161.5	December 13, 2018	December 13, 2028	
Tranche AQ- Option I	549	10.29	500.0	June 10, 2019	December 10, 2020	ICRA AA(Stable) / IND AA(Stable)
Tranche AQ- Option II	731	Zero Coupon	500.0		June 10, 2021	
Total			<b>24,309.1</b>			

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

^ Public issue of NCD through Tranche I and II with face value of '1,000.0 each under the Shelf Prospectus dated May 16, 2018 for an amount of '20,000.0 million.

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

#### A.g.iv. List of top 10 Debenture Holders as on June 30, 2019:

##### A. Private Placement:

**(Rs. in Million)**

Sr. No.	NAME OF THE DEBENTUREHOLDER	Amount
1	UTI Mutual Fund	2169
2	HDFC Mutual Fund	2000
3	Aditya Birla Sun Life Mutual Fund	1900
4	Canara Bank	1750
5	Bank of Baroda	1000
6	Reliance Mutual Fund	875
7	Sushma Jain	750
8	IDFC Mutual Fund	600
9	Bank of India	500
	RBL Bank Limited	500
	Dream 11 Fantasy Private Limited	500
10	Tata Capital Financial Services Limited	400

**B. Public Issue:**

(Rs. in Million)

Sr. No.	NAME OF THE DEBENTUREHOLDER	Amount
1	Aditya Birla Finance Limited	1080
2	Britannia Industries Limited	500
3	Reliance Mutual Fund	350
4	UTI Mutual Fund	350
5	Trust Investment Advisors Private Limited	330.388
6	Bajaj Holdings and Investment Limited	250
7	Kotak Mutual Fund	250
8	The Federal Bank Limited	250
9	Dishman Carbogen Amcis Limited	250
10	Star Health and Allied Insurance Co. Limited	200

**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 June 30, 2019:**

(Rs. in Million)

Sr. No.	ISIN Numbers	Amount	Maturity Date
1	INE651J14AJ7	1,000.0	27-Sep-19
2	INE651J14AM1	1,750.0	16-Aug-19
3	INE651J14AN9	1,000.0	23-Aug-19
4	INE651J14AP4	1,800.0	28-Feb-20
5	INE651J14AR0	1,600.0	15-Jul-19
6	INE651J14AQ2	1,600.0	23-Sep-19
7	INE651J14AO7	150.0	15-Apr-20
8	INE651J14AQ2	250.0	23-Sep-19
9	INE651J14AQ2	500.0	23-Sep-19
<b>Total</b>		<b>9,650.00</b>	

\*Borrowing through commercial papers shown at face value without considering discount of Rs. 236.40 million

**A.g.vii. Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference shares) as on June 30, 2019**

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 47.05% of our Equity Share capital, calculated on the face value of Equity Shares of the Company. By March 31, 2020 if these partly paid up shares are not fully paid up, the equity shareholding of JMFL will reduce to 46.68%. 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	46.35%	0	0%
2.	JM Financial Limited (partly paid up)	19,837	19,837	0.70%	0	0%

Notes:

- (i) The percentage of shareholding is calculated on the face value of Equity Shares.
- (ii) JM Financial Limited holds 19,837 partly paid up Equity Shares. By March 31, 2020, if these partly paid up Equity Shares are not fully paid up, the equity shareholding of JM Financial Limited will reduce to 46.68%.

**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>1</b>	<b>ASSETS</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>Payables</b>		
A	(I) 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>		
	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:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

## Abridged version of Balance Sheet as per Indian GAAP

(Rs. In Million)

	Particulars	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 Fees and commission income Net gain on fair value changes Other operating income <b>Total Revenue from Operations</b>	12,580.1 51.1 2.9 156.8 <b>12,790.9</b>	9,231.1 150.8 - 19.6 <b>9,401.5</b>
<b>II.</b>	<b>Total Income</b> <b>Expenses:</b> Finance costs Impairment on financial instruments Employee benefits expense Depreciation, amortization and impairment Operating and other expenses <b>Total expenses</b>	5,787.4 159.9 315.2 2.3 262.6 <b>6,527.4</b>	3,899.0 192.0 235.6 2.3 236.5 <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 Deferred tax Tax adjustment of earlier years(net)	2,235.4 (42.0) 6.2	1,792.2 (105.3) -
<b>V</b>	<b>Net Profit for the year</b>	<b>2,199.6</b>	<b>1,686.9</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 - Income tax on the above	- (0.4) 0.1	- (0.3) 0.1
<b>VII</b>	<b>Total Other Comprehensive Income</b>	<b>(0.3)</b>	<b>(0.2)</b>
<b>VIII</b>	<b>Total Comprehensive Income</b> <b>Earnings Per Equity Share</b> (Face value of Rs. 10/- each) Basic (Rs.) Diluted (Rs.)	<b>4,063.6</b> 1,524.01 1,519.43	<b>3,149.0</b> 1,265.20 1,265.20

Notes: The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

(Rs. In Million)

	Particulars	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 year ended	For the 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>
	<b>Adjustment for:</b>		
	(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:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

## Statement of Cash Flow as per IGAAP

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

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

**IDBI Trusteeship Services Limited**

Asian Building, Ground Floor,

17, R Kamani Marg,

Ballard Estate, Mumbai – 400 001

Tel: +91 22 4080 7000

Fax: + 91 22 6631 1776

Contact Person: Mr. Dinesh Ladwa, Vice President

Email: [dinesh.ladwa@idbitrustee.com](mailto:dinesh.ladwa@idbitrustee.com)

Website: [www.idbitrustee.com](http://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 August 16, 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:**

As per the amendments to Companies (Share Capital and Debentures) Amendment Rules, 2014, NBFCs having their Debentures listed are exempted from the requirement of creation of Debenture Redemption Reserve (DRR). Pursuant to this rule, the Company being an NBFC and having its Debentures listed is not required to create any DRR.

**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 500 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. 50,00,00,000/- (Rupees Fifty 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 AT – 2019 (XV)**

**Private Placement of upto 500 Secured, Rated, Listed, Redeemable Non-Convertible Debentures (“Debentures” or “NCDs”) of the face value of Rs. 10,00,000/- (Rupees Ten Lakh) each aggregating upto Rs. 50,00,00,000/- (Rupees Fifty Crore only).**

#### **A. Common Terms of the Tranche AT 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 August 16, 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. 6,500 Crore through NCDs and ICRA Limited has assigned [ICRA]AA/Stable rating for long term borrowings upto Rs. 6,500 Crore through NCDs.
Option to retain oversubscription (Amount)	None
Objects of the Issue	The object of the Issue is for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the long term resources of the Company and for the eligible general corporate purposes.
Details of the utilization of the Proceeds	The proceeds of the Issue would be utilised by the Company, inter-alia, for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the working capital requirements of the Company and for the eligible general corporate purposes. Further, the Company, may pending utilization of the proceeds out of the issue of the NCDs, temporarily invest funds in income bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade income 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.
Minimum Application and in multiples of 1 Debt securities thereafter	Minimum 10 Debentures and in multiples of 1 thereafter
Issue Timing	
1. Issue Opening Date	August 22, 2019
2. Bidding Date	August 22, 2019
3. Issue Closing Date	August 22, 2019
4. Pay-in Date	August 23, 2019
5. Deemed Date of Allotment	August 23, 2019
Bid Book Type	Open Bid
Allocation Option	Uniform Yield
Mechanism of Settlement	Indian Clearing Corporation Limited (ICCL)
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS / Demand Draft / Pay Order / Direct Credit / NACH / other permitted mechanisms
Depository(ies)	NSDL / CDSL
Business Day Convention	If the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security.

	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. Also refer Note 10 herein below
Record Date	15 days prior to each Coupon Payment / Redemption Date
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, 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. Under the above Debenture Trust Deed, the NCD outstanding amount is Rs. 650 Crore and NCD issued amount is Rs. 850 Crore as on the date of issue of these NCDs (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 AT – 2019 (XV) 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 1.00 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 with any Transaction Document including the Debenture Trust Deed, this Disclosure Document shall prevail.
Events of Default	As per Note 13 and as per the Debenture Trust Deed 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 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:**

	<b>Option I</b>	<b>Option II</b>
Security Name	10.50% JMFCSL 23/08/2021	0% JMFCSL 23/08/2021
Number of Debentures	Upto 200 Debentures	Upto 300 Debentures
Issue Size	Upto Rs. 20 Crore	Upto Rs. 30 Crore
Issue Price	Rs. 10,00,000/- per Debenture	Rs. 10,00,000/- per Debenture
Discount at which security is issued and the effective yield as a result of such discount.	Nil	Nil
Interest/Coupon Rate	10.50% p.a.	Nil
Implicit yield (XIRR basis)	Not Applicable	10.50% p.a.
Step Up/Step Down Coupon Rate	Nil	Nil
Coupon Payment Frequency	Annually	Not Applicable
Coupon payment dates	August 21, 2020 August 23, 2021	None
Coupon / Implicit Yield Type	Fixed	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	None	None
Tenor	731 days	731 days
Redemption Date	August 23, 2021	August 23, 2021
Redemption Premium	Not Applicable	Rs. 2,21,360/- per NCD
Redemption Amount	Rs. 10,00,000/- per Debenture	Rs. 12,21,360/- per Debenture
Put Option Date	None	None
Put Option Price	Not Applicable	Not Applicable
Call Option Date	Not Applicable	Not Applicable
Call Option Price	Not Applicable	Not Applicable
Put Notification Time	Not Applicable	Not Applicable
Call Notification Time	Not Applicable	Not Applicable
Arranger	None	None

Illustrative Cash flows for the above Tranche AT NCDs:

**Option I:**

Particulars	Day and Date	No. of Days in Coupon / Principal Payment	Amount per NCD (in Rs.)
1 <sup>st</sup> Coupon Payment	Friday, August 21, 2020	364	1,04,426/-
2 <sup>nd</sup> Coupon Payment (including redemption payment)	Monday, August 23, 2021	367	11,05,575/-

**Option II:**

Particulars	Day and Date	No. of Days in Coupon / Principal Payment	Amount per NCD (in Rs.)
<b>Redemption amount (including premium)</b>	Monday, August 23, 2021	731	12,21,360/-

**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. 650 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 AT – 2019 (XV) 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 immoveable 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 immoveable 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 immoveable property, the Company (or an affiliate which has created the mortgage over the immoveable property) shall be entitled to offer the immoveable 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 immoveable 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 immoveable 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. 650 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 AT – 2019 (XV) 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, 2015, March 31, 2016, March 31, 2017, March 31, 2018 and March 31, 2019 of the Company
10. Letter dated July 12, 2019 from India Ratings and Research Private Limited and letter dated July 15, 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. Shelf Prospectus dated May 16, 2018 issued by the Company in connection with the public issuance of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 2,00,00,00,000/- (Rupees Two Thousand Crore only)
27. Tranche I Prospectus dated May 16, 2018 issued by the Company in connection with the public issuance of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 750,00,00,000/- (Rupees Seven Hundred and Fifty Crore only)
28. Tranche II Prospectus dated November 20, 2018 issued by the Company in connection with the public issuance of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs. 1,250,00,00,000/- (Rupees One Thousand Two Hundred and Fifty Crore only)
29. Disclosure Document dated June 7, 2019 issued by the Company in connection with the issue of secured, rated, listed, redeemable non-convertible debentures aggregating upto Rs100,00,00,000/- (Rupees One Hundred Crore only)
30. Disclosure Document dated July 15, 2019 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 only)

31. Disclosure Document dated July 19, 2019 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 only)
32. 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)
33. 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)
34. 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)
35. 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)
36. 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)
37. 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**   
Company Secretary

Place: Mumbai

Date: August 16, 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.

<b>Sr. No.</b>	<b>Disclosure Requirements</b>	<b>Page No.</b>
<b>1. 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.	27-29
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. 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.	51
e.	Name and address of the valuer who performed valuation of the security offered.	Not Applicable

Sr. No.	Disclosure Requirements	Page No.
f.	Amount which the company intends to raise by way of securities.	48
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.	51 Not Applicable Not Applicable 49 49
h.	Proposed time schedule for which the offer letter is valid.	49
i.	Purposes and objects of the offer.	49
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 company for each of the said reservations or qualifications or adverse remark.	None

Sr. No.	Disclosure Requirements	Page No.
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.	None
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	None
4.	<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.	23
	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.	24-25
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.	38-39
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 members of the Company at its meeting held on July 11, 2019, declared a dividend of Re. 1/- per share for the financial year 2018-19.
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.	36-37

<b>Sr. No.</b>	<b>Disclosure Requirements</b>	<b>Page No.</b>
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	40-41
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**

**Mr. Shashwat Belapurkar**

Chief Executive Officer

JM Financial Credit Solutions Limited,  
7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025

August 16, 2019

Dear Sir,

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

India Ratings (see definition below) communicates the following ratings of JMFCS:-

"INR 65 billion Non-Convertible Debentures (Secured and Unsecured NCD): IND AA/Stable. The rated limit is interchangeable with secured and unsecured redeemable non-convertible debentures issued by way of public or private issue."

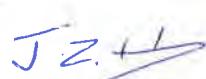
Out of the above rated amount INR 34.09bn of NCD is outstanding.

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

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

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

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



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

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

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

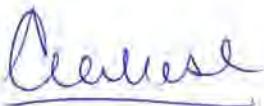
It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for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

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

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

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

Sincerely,  
India Ratings



Rakesh Valecha  
Senior Director



Jindal Haria  
Director



ICRA

ICRA Limited

CONFIDENTIAL

Date: July 31, 2019

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

Dear Sir,

**Re: ICRA-assigned Credit Rating for Rs. 6,500.00 crore Non-Convertible Debenture (NCD) Programme of JM Financial Credit Solutions Limited**

Please refer to our letter dated June 14, 2019 communicating the [ICRA]AA (Stable) rating for an aggregate of Rs. 6,500 crore NCD programme (the limit being interchangeable with secured and unsecured redeemable non-convertible debentures issued by way of public or private issue) of the company. Also refer to our rating communication letter with reference no. 2019-20/MUMW/0112 dated July 26, 2019 communicating the withdrawal of [ICRA]AA (pronounced as ICRA double A) rating with Stable outlook to the Rs. 475.00 crore NCD Programme and our letter with reference number 2019-20/MUM/0893 dated July 26, 2019 communicating the assignment of [ICRA]AA (pronounced as ICRA double A) rating with Stable outlook to the Rs. 475.00 crore NCD programme. Thus, ICRA now has [ICRA]AA (Stable) rating outstanding on an aggregate of Rs. 6,500 crore NCD programme (the limit is interchangeable with secured and unsecured redeemable non-convertible debentures issued by way of public or private issue) of the company.

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

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

With kind regards,  
Yours sincerely,  
For ICRA Limited

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

  
SHREEKIRAN RAO  
Assistant Vice President  
[shreekiran.rao@icraindia.com](mailto:shreekiran.rao@icraindia.com)

Electric Mansion, 3<sup>rd</sup> Floor  
Appasaheb Marathe Marg  
Prabhadevi, Mumbai-400025

Registered Office : 1105, Kailash Building, 11<sup>th</sup> Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel. : +91.11.23357940-45

Tel. : +91.22.61693300  
CIN : L74999DL1991PLC042749

Website : [www.icra.in](http://www.icra.in)  
Email : [info@icraindia.com](mailto:info@icraindia.com)  
Helpdesk : +91.124.3341580

RATING • RESEARCH • INFORMATION

85750

Ref. No. 5809/ITSL/OPR/ CL/19-20/DEB/623

Date: August 16, 2019

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

Kind Attn: Mr. Gagan Kothari, Chief Financial Officer

Dear Sir,

Subject: Consent to act as Debenture Trustee for Privately Placed Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (NCDs) aggregating upto Rs. 50 Crores – Tranche AT

This is with reference to the discussion we had regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustee for the proposed NCD issue aggregating upto Rs. 50 Crores – Tranche AT. In this connection we confirm our acceptance of the assignment.

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

1. The Company shall enter into Written Debenture Trustee Agreement (DTA) for the said issue before the opening of issue for issue of debentures.
2. The Company agrees and undertakes it has already created securities / to create the securities over such of its immovable and moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute, the Debenture Trust Deed (DTD) and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed in the Information Memorandum or Disclosure Document in any case not exceeding 3 months from the date of closure of the Issue.
3. The Company agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
4. The Company agrees & undertakes to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the Companies Act, 1956/the Companies Act, 2013 and the Rules thereunder as amended from time to time and other applicable provisions and agree to furnish to Trustees such information in terms of the same on regular basis.



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

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

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

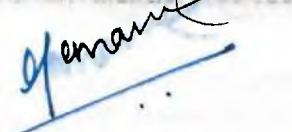
Thanking you,

Yours faithfully,  
For IDBI Trusteeship Services Limited

  
(Authorized Signatory)



We accept the above terms  
For JM Financial Credit Solutions Limited

  
(Authorized Signatory)



# Deloitte Haskins & Sells LLP

## INDEPENDENT AUDITORS' REPORT

### To the Members of JM Financial Credit Solutions Limited

### Report on the Audit of the Financial Statements

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

Tel: +91 22 6185 4000  
Fax: +91 22 6185 4101

#### Opinion

We have audited the accompanying financial statements of **JM Financial Credit Solutions Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### A. Application of new Accounting Standards (refer note 4 to the financial statements)

##### Nature of Key Audit Matter

As per roadmap to Ind AS, under Phase I, NBFCs with networth of Rs. 500 Crores or more, shall be required to prepare financial statements in accordance with Ind AS for accounting periods beginning from April 1, 2018 onwards with comparatives for the periods ending March 31, 2018 or thereafter. The Company being an NBFC has adopted Ind AS with effect from April 01, 2018 and April 01, 2017 being the transition date in terms of the Companies (Indian Accounting Standards) Rules, 2015 as ended from time to time. The transition date balance sheet and the comparative financial statements for the year ended March 31, 2018 included in the financial statement, is based on the statutory financial



statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 and have been restated to comply with Ind AS. The adoption of Ind AS involves significant level of judgment by the management for application of mandatory and optional transitional adjustment, restatement adjustments and significant increase in the disclosure requirements under Ind AS. Hence this has been identified as a key audit matter.

#### **How our Audit addressed the Key Audit Matter**

- Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls over the basis of preparation of the financial information in accordance with Ind AS.
- Examined the Company's assessment of the mandatory and optional exemption considered in preparation of the opening balance sheet and the restatement of the previous year balances and performed the following procedures:
  - a. Agreed the various accounting positions and exemptions opted by the Company with the permitted exemptions as per Ind AS 101.
  - b. Tested the restatement adjustments identified by the Company for the comparable years with the revisions in the accounting policies arising from adoption of Ind AS.
  - c. Verified and confirmed the appropriateness of the reconciliations as disclosed in the financial statements of the previously published retained earnings and profits with the restated Ind AS balances.
  - d. Ensured that accounting policies considered for the current year are in accordance with the applicable Ind AS.

#### **B. Impairment of loans (refer note 40.B to the financial statements)**

##### **Nature of Key Audit Matter**

As at the year end, the Company has reported financial assets carried at amortised cost in form of loans granted aggregating to Rs. 8,016.04 crore net of provision for expected credit losses of Rs. 75.06 crore. Management estimates impairment provision using individual model based approach for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:

- Timely identification and classification of the impaired loans.
- Determination of probability of defaults based on comparative external ratings and estimation of loss given defaults based on the value of collaterals and relevant factors.

#### **How our Audit addressed the Key Audit Matter**

- Tested the design and effectiveness of internal controls implemented by the management for following:
  - a. Identification and classification of loans which have impaired in correct buckets
  - b. Validation of the Model used for the impairment provision
  - c. Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision
  - d. Completeness and accuracy of the data inputs used
- Tested the completeness and accuracy of data from underlying systems used in the models including the bucketing of loans into delinquency bands. The auditors critically assessed and tested the key underlying assumptions and significant judgements used by management.
- For loans identified by management as potentially impaired, examined on a sample basis, checked the calculation of the impairment, critically assessed the underlying assumptions and corroborated these to supporting evidence.
- Examined a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and formed their own judgement as to whether that was appropriate through reviewing information such as the counterparty's payment history.



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- Involved specialists for evaluation of the methodology and approach applied by the management.

## **Information Other than the Financial Statements and Auditors' Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors Report (the "reports"), but does not include the financial statements and our auditors' report thereon. The reports are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

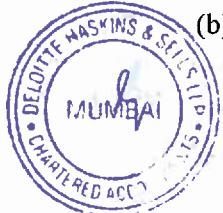
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

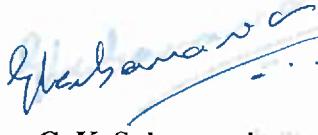
**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations, as at the year-end which would impact its financial position
    - ii. the Company did not have any long-term contracts including derivative contracts, as at the year-end for which there were any material foreseeable losses;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



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

Place: Mumbai  
Date: April 30, 2019

**Report on Internal Financial Controls Over Financial Reporting  
ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT  
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of JM Financial Credit Solutions Limited (the "Company") as at March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act").

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

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



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

Place: Mumbai  
Date: April 30, 2019

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

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

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us, The Company has not granted any loans, made investments or provide guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at March 31, 2019 for a period of more than six months from the date they became payable.
  - There are no dues of Income-tax and Goods & Service Tax, as at March 31, 2019 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company does not have loans or borrowings from Government and financial institutions.



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- (ix) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has raised monies by way of initial public offer of debt instruments. In respect of the above issue, we further report that the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised other than temporary deployment pending application.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.

In respect of the above issue, we further report that:

- (a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
  - (b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into non-cash transactions with its directors or persons connected with the directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
  - (xvi) In our opinion and according to the information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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



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

Place: Mumbai  
Date: April 30, 2019



**JM FINANCIAL CREDIT SOLUTIONS  
LIMITED**

**Financial Statements**

**Financial Year 2018 - 2019**

BALANCE SHEET AS AT MARCH 31, 2019

(In Rs Crore)

	Particulars	Note No.	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
	<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>				
A	Cash and cash equivalents	5	178.33	118.34	1.70
B	Bank balance other than (A) above	6	4.50	-	-
C	Loans	7	8,016.04	7,191.56	5,558.51
D	Investments	8	295.29	-	-
E	Other financial assets	9	4.06	0.04	1.47
			<b>8,498.22</b>	<b>7,309.94</b>	<b>5,561.68</b>
<b>2</b>	<b>Non-financial Assets</b>				
A	Current tax assets (net)	10	1.29	0.83	1.28
B	Deferred tax assets (net)	11	59.01	54.51	43.97
C	Property, plant and equipment	12	0.76	0.39	0.50
D	Other intangible assets	12	0.22	0.29	0.35
E	Other non-financial assets	13	3.02	0.49	0.55
			<b>64.30</b>	<b>56.51</b>	<b>46.65</b>
	<b>Total Assets</b>		<b>8,562.52</b>	<b>7,366.45</b>	<b>5,608.33</b>
	<b>LIABILITIES AND EQUITY</b>				
	<b>LIABILITIES</b>				
<b>1</b>	<b>Financial Liabilities</b>				
A	<b>Payables</b>				
(i)	Trade payables				
(i)	total outstanding dues of micro enterprises and small enterprises	14.a	-	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	14	11.23	2.85	1.96
B	Debt securities	15	3,248.56	3,036.93	2,285.75
C	Borrowings (Other than Debt securities)	16	2,356.43	2,624.48	1,942.76
D	Other financial liabilities	17	31.49	25.46	22.40
	<b>Total Financial Liabilities</b>		<b>5,647.71</b>	<b>5,689.72</b>	<b>4,252.87</b>
<b>2</b>	<b>Non-Financial Liabilities</b>				
A	Current tax liabilities (net)	18	3.17	1.78	-
B	Provisions	19	1.61	1.14	0.68
C	Other non-financial liabilities	20	0.73	5.32	1.19
	<b>Total Non-Financial Liabilities</b>		<b>5.51</b>	<b>8.24</b>	<b>1.87</b>



BALANCE SHEET AS AT MARCH 31, 2019

(In Rs Crore)

	Particulars	Note No.	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>3</b>	<b>EQUITY</b>				
A	Equity Share capital	21	2.83	2.50	2.47
B	Other Equity	22	2,906.47	1,665.99	1,351.12
	<b>Total Equity</b>		<b>2,909.30</b>	<b>1,668.49</b>	<b>1,353.59</b>
	<b>Total Liabilities and Equity</b>		<b>8,562.52</b>	<b>7,366.45</b>	<b>5,608.33</b>
The accompanying notes form an integral part of the financial statements		1 to 48			

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Registration No. 117366W/W-100018

G. K. Subramaniam

Partner

Membership No. 109839

Place: Mumbai

Date: April 30, 2019

For and on behalf of the Board of Directors

Hariharan

Hariharan Aiyar

Vice Chairman

DIN – 01374306

Shashwat Belapurkar

Chief Executive Officer

Place: Mumbai

Date: April 30, 2019

V P Shetty

Non-Executive Director

DIN – 00021773

Gagan Kothari

Chief Financial Officer

Hemant Pandya

Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(In Rs Crore)

	<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended 31.03.2019</b>	<b>For the year ended 31.03.2018</b>
<b>I.</b>	<b>Income:</b>			
	<b>Revenue from operations</b>			
	Interest income	23	1,258.01	923.11
	Fees and commission income	24	5.11	15.08
	Net gain on fair value changes	25	0.29	-
	Other operating income	26	15.68	1.96
	<b>Total Revenue from Operations</b>		<b>1,279.09</b>	<b>940.15</b>
	<b>Total Income:</b>		<b>1,279.09</b>	<b>940.15</b>
<b>II.</b>	<b>Expenses:</b>			
	Finance costs	27	578.74	389.90
	Impairment on financial instruments	28	15.99	19.20
	Employee benefits expense	29	31.52	23.56
	Depreciation, amortization and impairment	12	0.23	0.23
	Operating and other expenses	30	26.26	23.65
	<b>Total expenses</b>		<b>652.74</b>	<b>456.54</b>
<b>III.</b>	<b>Profit before Tax</b>		<b>626.35</b>	<b>483.61</b>
<b>IV.</b>	<b>Less: Tax expense</b>	31		
	Current tax		223.54	179.22
	Deferred tax		(4.20)	(10.53)
	Tax adjustment of earlier years (net)		0.62	-
			<b>219.96</b>	<b>168.69</b>
<b>V.</b>	<b>Net Profit for the year</b>		<b>406.39</b>	<b>314.92</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		(0.04)	(0.03)
	- Income tax on the above		0.01	0.01
	<b>Total Other Comprehensive Income</b>		<b>(0.03)</b>	<b>(0.02)</b>
<b>VII.</b>	<b>Total Comprehensive Income</b>		<b>406.36</b>	<b>314.90</b>



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(In Rs Crore)

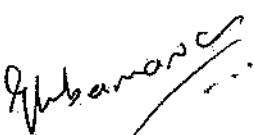
	Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>VIII</b>	<b>Earnings Per Equity Share</b>	34		
	(Face value of Rs. 10/- each)			
	Basic (Rs.)		1,524.01	1,265.20
	Diluted (Rs.)		1,519.43	1,265.20
	The accompanying notes form an integral part of the financial statements	1 to 48		

In terms of our report of even date attached

**For Deloitte Haskins & Sells LLP**

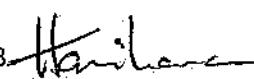
**Chartered Accountants**

Registration No. 117366W/W-100018

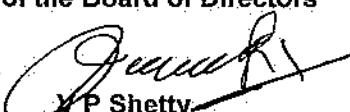
  
G. K. Subramaniam  
Partner  
Membership No. 109839

Place: Mumbai  
Date: April 30, 2019

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

 Hariharan Aiyar

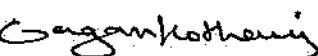
Vice Chairman  
DIN – 01374306

 V P Shetty

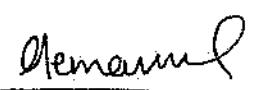
Non-Executive Director  
DIN – 00021773

 Shashwat Belapurkar

Chief Executive Officer

 Gagan Kothari

Chief Financial Officer

 Hemant Pandya

Company Secretary

Place: Mumbai

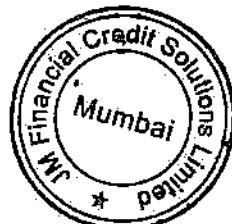
Date: April 30, 2019



**STATEMENT OF CASH FLOWS**

(In Rs Crore)

	<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>
		<b>As at 31.03.2019 (In Rs Crore)</b>	<b>As at 31.03.2018 (In Rs Crore)</b>
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	626.35	483.61
	<b>Adjustment for:</b>		
	Depreciation and amortisation expenses	0.23	0.23
	Profit on sale of investments (net realized and unrealized)	(13.90)	(1.96)
	Provision for gratuity	0.16	0.28
	Provision for compensated absences	0.17	0.15
	Provision for impairment	15.99	19.20
	Interest on fixed deposits	(0.27)	-
	Interest expenses - others	0.56	0.40
	<b>Operating profit before working capital changes</b>	<b>629.29</b>	<b>501.91</b>
	<b>Adjustment for:</b>		
	(Increase)/decrease in loans	(824.48)	(1,633.05)
	(Increase)/decrease in other financial and non-financial assets	(22.55)	(17.71)
	Increase in trade payables and other liabilities	9.82	8.07
	Decrease in Provisions	0.11	0.01
	<b>Cash (used in) operations</b>	<b>(207.81)</b>	<b>(1,140.77)</b>
	Direct taxes paid	(223.79)	(177.37)
	<b>Net cash (used in) operating activities</b>	<b>(431.60)</b>	<b>(1,318.14)</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of investments	(39,836.35)	(7,456.00)
	Sale of investments	39,554.96	7,457.96
	Fixed deposits placed with bank	(4.50)	-
	Interest received on bank deposits	0.28	-
	Purchase of fixed assets	(0.53)	(0.06)
	<b>Net cash (used in)/ generated from investment activities</b>	<b>(286.14)</b>	<b>1.90</b>



Particulars		For the year ended	(In Rs Crore)
		As at 31.03.2019 (In Rs Crore)	As at 31.03.2018 (In Rs Crore)
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from issue of equity share	835.00	-
	Share issue expenses	(0.83)	-
	Interest paid	(0.01)	(0.01)
	Proceeds from debt securities	4,313.85	3,312.62
	Repayment of debt securities	(4,102.23)	(2,561.45)
	Proceeds from borrowings other than debt securities	511.06	1,270.00
	Repayment of borrowings other than debt securities	(779.11)	(588.28)
	<b>Net cash generated from financing activities</b>	<b>777.73</b>	<b>1,432.88</b>
	Net increase in Cash and cash equivalents	59.99	116.64
	Cash and cash equivalents at the beginning of the year	118.34	1.70
	<b>Cash and cash equivalents at the end of the year (refer note 5)</b>	<b>178.33</b>	<b>118.34</b>

The accompanying notes form an integral part of the financial statements – Note No.1 to 48

#### Notes

- 1 The cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - "Statement of Cash Flow".

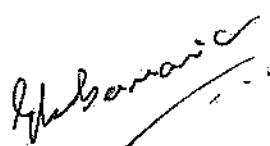
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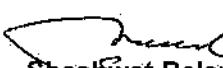
**For Deloitte Haskins & Sells LLP For and on behalf of the Board of Directors**

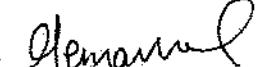
**Chartered Accountants**

Registration No. 117366W/W-100018

   
**Hariharan Aiyar** **V P Shetty**  
 Vice Chairman Non-Executive Director  
 DIN – 01374306 DIN – 00021773

  
**G. K. Subramaniam**  
 Partner  
 Membership No. 109839  
 Place: Mumbai  
 Date: April 30, 2019

  
**Shaibwat Belapurkar**  
 Chief Executive Officer  
 Place: Mumbai  
 Date: April 30, 2019

   
**Gagan Kothari** **Hemant Pandya**  
 Chief Financial Officer  
 Company Secretary



**Statement of Changes in Equity**

**A. Equity share capital**

Particulars	Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
Equity Share Capital	2.47	0.03	2.50	0.33	2.83

**B. Other Equity**

Particulars	Compulsory Convertible Preference Shares	Reserves and Surplus					Total Other Equity
		Securities Premium	General Reserve	Debenture Redemption Reserve	Statutory Reserve	Retained earnings	
Balance as at April 1, 2017	0.03	881.16	0.17	-	105.43	364.33	1,351.12
Addition/Reduction during the year							
Profit for the year						314.92	314.92
Other comprehensive income for the year						(0.02)	(0.02)
Transfer to statutory reserves					65.66	(65.66)	-
Conversion to equity shares	(0.03)						(0.03)
<b>Balance at March 31, 2018</b>		<b>881.16</b>	<b>0.17</b>		<b>171.09</b>	<b>613.57</b>	<b>1,665.99</b>
Addition/Reduction during the year							
On issue of shares							834.66
Share issue expenses							(0.55)
Profit for the year						406.39	406.39
Other comprehensive income for the year						(0.03)	(0.03)
Transfer to statutory reserves					81.28	(81.28)	-
Transfer to debenture redemption reserve						(33.76)	-
<b>Balance at March 31, 2019</b>		<b>1,715.27</b>	<b>0.17</b>		<b>33.76</b>	<b>252.37</b>	<b>904.89</b>
							<b>2,906.46</b>

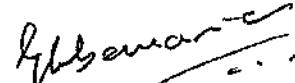
The accompanying notes form an integral part of the financial statements – Note No.1 to 48

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP For and on behalf of the Board of Directors

Chartered Accountants

Registration No. 117366WW-100018

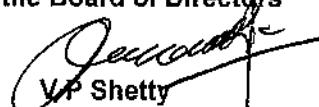
  
G. K. Subramaniam

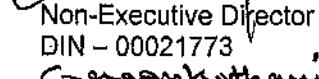
Partner  
Membership No. 109839

Place: Mumbai  
Date: April 30, 2019

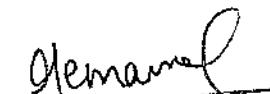
  
Shashwat Belapurkar  
Chief Executive Officer

Place: Mumbai  
Date: April 30, 2019

  
Hariharan Aiyar  
Vice Chairman  
DIN - 01374306

  
V.P. Shetty  
Non-Executive Director  
DIN - 00021773

  
Gagan Kothari  
Chief Financial Officer

  
Hemant Pandya  
Company Secretary



## **1 Corporate Information**

JM Financial Credit Solutions Limited (the "Company") was originally incorporated at Mumbai, Maharashtra on May 15, 1980, as a public limited company, under the provisions of the Companies Act, 1956 with registration number 22644 of 1980, with the name "FICS Consultancy Services Limited". The Company also received a certificate for commencement of business on May 24, 1980. Subsequently, by way of a fresh certificate of incorporation dated March 04, 2015 issued by the Registrar of Companies, Mumbai, Maharashtra, the Company's name was changed to "JM Financial Credit Solutions Limited". The Company has obtained a certificate of registration dated August 27, 2003 bearing registration no. B-13.01681 issued by the Reserve Bank of India ("RBI") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934. The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

## **2. Significant Accounting Policies**

### **2.1 Basis of preparation of financial statements**

#### **Statement of Compliance**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

#### **Historical cost convention**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities



#### **Presentation of financial statements**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Amounts in the financial statements are presented in Indian Rupees in crores rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

#### **2.2 Property, plant and equipment and Intangible Assets**

- a. Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs and impairment of assets below).

Depreciation / amortization is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

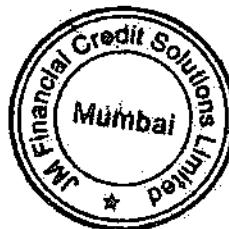
<b>Assets</b>	<b>Useful Life</b>
Vehicles	5 years
Computers	3 years
Servers and Networks	6 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Leasehold improvements	10 years or lease period whichever is lower
<b>Intangible Assets</b>	<b>Useful Life</b>
Computer Software	5 years

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

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



## JM FINANCIAL CREDIT SOLUTIONS LIMITED



### **Intangible assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life of 5 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### **Deemed cost on transition to Ind AS**

For transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### **Impairment losses on non-financial assets**

As at the end of each year, the Company reviews the carrying amount of its non-financial assets that is PPE and intangible to determine whether there is any indication that these assets have suffered an impairment loss.

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



**2.3 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

**a. Interest Income**

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL, transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

**b. Fees and Commission Income**

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in this part of the statement of profit and loss include among other things fees charged for servicing a loan.

**c. Dividend Income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

**d. Investment Income**

The gains/ losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost on a weighted average basis.

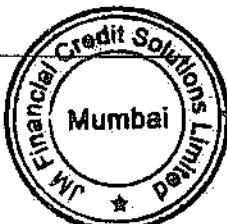
**2.4 Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**Finance Lease**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 2.6 below).

**Operating Lease**

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Effective from April 1, 2019 Ind AS 116, the new leases standard will be applicable to the Company. As per Ind AS 116 all leases will form part of the balance sheet, applying a "right-of-use asset" model that would recognise an asset on the lessee's balance sheet (representing its right to use the leased asset over the lease term), and recognise a corresponding liability to make future lease payments.

As such, a lessee's current operating lease accounting model will change significantly. The lessor accounting model will largely remain unchanged from that applied under current guidance.

**2.5 Foreign currency transactions**

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

**2.6 Borrowing costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets as defined in Ind AS 23 are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

**2.7 Employee benefits****Retirement benefit costs and termination benefits:****Defined Contribution Plan**

Payments to defined contribution plans are recognised as expense in the Statement of Profit & Loss of the year when employees have rendered service entitling them to the contributions. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payment is available.

**Defined Benefit Obligation:**

The Company's Gratuity liability under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### **Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

#### **Other long-term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

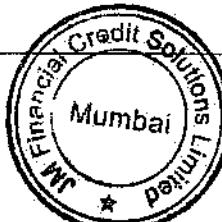
#### **2.8 Share-based payment arrangements**

Equity-settled share-based payments to employees of the Company are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 43.

The fair value determined at the grant date of the equity-settled share-based payments to employees of the Company is expensed on a straight-line basis over the vesting period with a corresponding increase in equity.

At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognises any impact in the Statement of profit and loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.



## JM FINANCIAL CREDIT SOLUTIONS LIMITED

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

### Fair valuation of grants on transition to Ind AS

For transition to Ind AS, the Company has availed the option to fair value grants that vest after the transition date, April 1, 2017.

### 2.9 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### Current Tax

The tax currently payable is based on the taxable profit for the year of the Company. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

#### 2.10 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

#### 2.11 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- i. an entity has a present obligation (legal or constructive) as a result of a past event; and
- ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. a reliable estimate can be made of the amount of the obligation

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements

#### 2.12 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- i. estimated amount of contracts remaining to be executed on capital account and not provided for;
- ii. uncalled liability on shares and other investments partly paid;
- iii. other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

#### 2.13 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

#### 2.14 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent



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with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

**2.15 Financial Instruments****Recognition of Financial Instruments**

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognized when the company becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

**Initial Measurement of Financial Instruments**

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

**Subsequent Measurement of Financial Assets:**

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

**Classification of Financial Assets:**

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and



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- the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

**Debt instruments at amortised cost or at FVTOCI**

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the individual asset basis and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed at individual basis and collectively to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

**Equity Investments at FVTOCI**

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on equity instruments measured through FVTPL are recognised in the Statement of Profit & Loss.

Gains and losses on equity instruments measured through FVTOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been



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established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

### Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.



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### Impairment of financial assets

#### *Overview of the Expected Credit Loss principles*

The company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

Expected credit losses (ECL) are a probability-weighted estimate of the present value of credit losses. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL on an individual basis. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

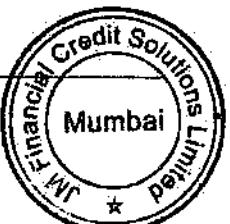
The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - Non-performing assets with overdue more than 90 DPD.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 and loans under short term financing, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.



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The Financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

### Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial assets or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

### Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in gains.

## Financial liabilities and equity instruments

### Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.



**JM FINANCIAL CREDIT SOLUTIONS LIMITED****Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

**Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**2.16 Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

**2.17 Earnings Per Share**

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

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



#### 2.18 Standards Issued but not yet effective

Ind AS 116 Leases was notified on March 28, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.



### 3 Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### Expected Credit Loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Company in determining the increase in credit risk have been detailed in Note 40.B(i)

#### Fair Valuation

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Company uses market observable data to the extent it is available. When Level 1 inputs are not available, the Corporation has applied appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 40 A.

### 4 Transition to Ind AS:

#### Overall principle:

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS transition balance sheet as at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows are set out note 39.

#### Exemptions and Exceptions availed:

We have set out below the applicable Ind AS 101 optional and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### Ind AS Exemptions:

##### Deemed cost for property, plant and equipment and other intangible assets:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after



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making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**Estimates:**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

**Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date.



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### 5 Cash and cash equivalents

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Cash in hand	-	-	0*
Balances with banks			
- in current accounts	177.81	68.34	1.70
- in earmarked accounts (refer note (a) below)	0.52	-	-
- in deposit accounts	-	50.00	-
	<b>178.33</b>	<b>118.34</b>	<b>1.70</b>

# Denotes amount less than Rs.50,000/-

#### Notes:

(a) Balance in earmarked account pertains to NCD application money refundable and thus having restrictions.

(b) Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates for a period ranging from one day to 90 days.

### 6 Other bank balances

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
- in deposit accounts	4.50	-	-
<b>Total</b>	<b>4.50</b>	-	-

Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates.

Balances with banks in deposit accounts are held as margin money or security against the borrowings, guarantees and other commitments.

### 7 Loans

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>At amortised cost</b>			
Term Loans (refer note a)	8,028.70	7,244.57	5,583.62
Interest accrued	62.40	6.06	14.76
<b>Gross loan</b>	<b>8,091.10</b>	<b>7,250.63</b>	<b>5,598.38</b>
Less: Impairment loss allowance (refer note b)	(75.06)	(59.07)	(39.87)
<b>Net loan</b>	<b>8,016.04</b>	<b>7,191.56</b>	<b>5,558.51</b>
<b>Break up of loans into secured and unsecured</b>			
Secured by tangible assets	8,091.10	7,125.63	5,576.99
Unsecured	-	125.00	21.39
<b>Gross loan</b>	<b>8,091.10</b>	<b>7,250.63</b>	<b>5,598.38</b>
Less: Impairment loss allowance (refer note b)	(75.06)	(59.07)	(39.87)
<b>Net loan</b>	<b>8,016.04</b>	<b>7,191.56</b>	<b>5,558.51</b>

#### Note:

a) Includes impact of Effective interest rates amounting to Rs.94.36 crore as at March 31, 2019 (Rs.94.31 crore as at March 31, 2018 and Rs.74.53 crore as at March 31, 2017).

b) Impairment loss allowance includes provision on undisbursed loan commitment amounting to Rs.1.50 crore as at March 31, 2019.

c) The loans are given in India to other than Public sectors.



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**8 Investments**

(In Rs Crore)

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>At Fair Value Through profit and loss account</b>			
Mutual fund units	270.29	-	-
Debt instruments	25.00	-	-
Equity instruments	0 <sup>#</sup>	-	-
<b>Total</b>	<b>295.29</b>	-	-

# Denotes amount below Rs.50,000/-

**9 Other Financial assets**

(In Rs Crore)

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Security deposits	3.74	0.04	1.47
Accrued interest but not due on deposits with banks	0.24	-	-
Others	0.08	-	-
<b>Total</b>	<b>4.06</b>	<b>0.04</b>	<b>1.47</b>

**10 Current tax assets (net)**

(In Rs Crore)

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Advance tax (net of provisions)	1.29	0.83	1.28
<b>Total</b>	<b>1.29</b>	<b>0.83</b>	<b>1.28</b>

**11 Deferred tax Assets (net)**

(In Rs Crore)

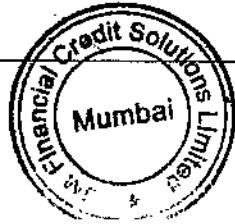
	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Impairment of Financial instruments	20.48	17.82	13.80
Measurement of Financial instruments at amortised cost	33.07	30.92	24.67
Disallowances under section 43B of the Income Tax Act, 1961	(1.47)	5.77	5.46
Preliminary expense under section 35(d) of the Income Tax Act, 1961	6.97	0.07	0.13
Difference between books and tax written down value of fixed assets	(0.04)	(0.07)	(0.09)
<b>Total</b>	<b>59.01</b>	<b>54.51</b>	<b>43.97</b>

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

For the year ended March 31, 2019

(Rs in Crore)

<b>Deferred tax asset / (liability)</b>	<b>Opening balance as at April 1, 2018</b>	<b>Recognised in profit or loss (Expense) / Income</b>	<b>Recognised in other equity</b>	<b>Closing balance as at March 31, 2019</b>
Fiscal allowance on fixed assets	(0.07)	0.03	-	(0.04)
Fiscal allowance on expenditure, etc.	5.84	(0.63)	0.29	5.50
Measurement of Financial instruments at amortised cost	30.92	2.15	-	33.07
Impairment allowance for financial assets	17.82	2.66	-	20.48
<b>Total</b>	<b>54.51</b>	<b>4.21</b>	<b>0.23</b>	<b>59.01</b>



For the year ended March 31, 2018

(Rs in Crore)

Deferred tax asset / (liability)	Opening balance as at April 1, 2017	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balance as at March 31, 2018
Fiscal allowance on fixed assets	(0.09)	0.02	-	(0.07)
Fiscal allowance on expenditure, etc.	5.59	0.25	-	5.84
Measurement of Financial instruments at amortised cost	24.67	6.25	-	30.92
Impairment allowance for financial assets	13.80	4.02	-	17.82
<b>Total</b>	<b>43.97</b>	<b>10.54</b>	<b>-</b>	<b>54.51</b>



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**12 Property, Plant and Equipment:**

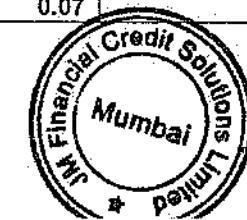
Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK As at 31.03.2019	
	As at 31.03.2018	Additions for the year	As at 31.03.2019	Up to 31.03.2018	Additions for the year	Up to 31.03.2019		
<b>PROPERTY, PLANT AND EQUIPMENT</b>								
<b>Owned Assets:</b>								
Freehold land	0.05	-	0.05	-	-	-	0.05	
Computers	0.23	0.02	0.25	0.09	0.07	0.16	0.09	
Furniture and fixtures	0.05	0.03	0.08	-	0.01	0.01	0.07	
Office Equipment	0.01	0.01	0.02	-	0.01	0.01	0.01	
Leasehold improvements	0.13	0.47	0.60	0.03	0.04	0.07	0.53	
<b>Leased Assets:</b>								
Vehicles	0.08	-	0.08	0.04	0.03	0.07	0.01	
<b>Total</b>	<b>0.55</b>	<b>0.53</b>	<b>1.08</b>	<b>0.16</b>	<b>0.16</b>	<b>0.32</b>	<b>0.76</b>	

**Intangible Assets**

Software	0.36	-	0.36	0.07	0.07	0.14	0.22
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Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK As at 31.03.2018	
	As at 01.04.2017	Additions for the year	As at 31.03.2018	Up to 31.03.2017	Additions for the year	Up to 31.03.2018		
<b>PROPERTY, PLANT AND EQUIPMENT</b>								
<b>Owned Assets:</b>								
Freehold land	0.05	-	0.05	-	-	-	0.05	
Computers	0.18	0.05	0.23	-	0.09	0.09	0.14	
Furniture and fixtures	0.05	-	0.05	-	-	-	0.05	
Office Equipment	0.01	-	0.01	-	-	-	0.01	
Leasehold improvements	0.13	-	0.13	-	0.03	0.03	0.10	
<b>Leased Assets:</b>								
Vehicles	0.08	-	0.08	-	0.04	0.04	0.04	
<b>Total</b>	<b>0.50</b>	<b>0.05</b>	<b>0.55</b>	<b>-</b>	<b>0.16</b>	<b>0.16</b>	<b>0.39</b>	

Intangible Assets	0.35	0.01	0.36	-	0.07	0.07	0.29
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The Company has availed the deemed cost exemption in relation to the property, plant and equipment (except freehold land) on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer below for the gross block value and the accumulated depreciation on April 1, 2017 under the previous GAAP.

<b>Property, Plant and Equipment</b>	<b>Gross Block</b>	<b>Accumulated Depreciation</b>	<b>Net Block</b>
<b>Owned Assets:</b>			
Freehold land	0.05	-	0.05
Computers	0.29	0.11	0.18
Furniture and fixtures	0.06	0.01	0.05
Office Equipment	0.02	0.01	0.01
Leasehold improvements	0.15	0.02	0.13
<b>Leased Assets:</b>			
Vehicles	0.18	0.10	0.08
<b>Total</b>	<b>0.75</b>	<b>0.25</b>	<b>0.50</b>
<b>Intangible Assets:</b>			
Software	0.41	0.06	0.35



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**13 Other non-financial assets**

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017	(In Rs Crore)
<b>Unsecured and considered good unless otherwise stated</b>				
Capital advances	-	0.01	-	
Prepaid Expenses	1.16	0.34	0.24	
Balances with government authorities	1.83	0.13	0.31	
Others	0.03	0.01	-	
<b>Total</b>	<b>3.02</b>	<b>0.49</b>	<b>0.55</b>	

**14 Trade Payables**

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017	(In Rs Crore)
total outstanding dues of creditors other than micro enterprises and small enterprises	11.23	2.85	1.96	
	<b>11.23</b>	<b>2.85</b>	<b>1.96</b>	

Due to related parties as at March 31, 2019 is Rs. 6.16 crore (as at March 31, 2018 is Rs 2.33 crore and as at March 31, 2017 is Rs 0.99 crore)

**14.a There are no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.**

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017	(In Rs Crore)
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-	
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-	
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-	
(iv) The amount of interest due and payable for the year	-	-	-	
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-	
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**15 Debt Securities**

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017	(Rs in Crore)
At amortised cost				
Secured				
Non-convertible debentures (refer note 15.1 and 15.2)	2,543.12	2,144.57	1,414.60	
Interest Payable	180.53	105.79	84.70	
Unsecured				
Commercial paper (refer note 15.3 and 15.4)	555.00	815.00	810.00	
Less: Unamortised interest on commercial paper	(30.09)	(28.43)	(23.55)	
<b>Total</b>	<b>524.91</b>	<b>786.57</b>	<b>786.45</b>	
<b>Grand Total</b>	<b>3,248.56</b>	<b>3,036.93</b>	<b>2,285.75</b>	

Debt securities are issued in India.



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**15.1 Non-Convertible Debentures:**

Non-convertible debentures aggregating Rs.2,543.12 crore (As at March 31, 2018: Rs.2,144.57 crore and As at April 1, 2017 : Rs.1,414.60 crore) are secured by way of first charge on freehold land (proportionately) and hypothecation on pool of certain loan fund balances of the Company.

**15.2 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD):**
**(Rs in Crore)**

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Private Placement - Face value of Rs.10,00,000 each</b>			
0% NCD redeemable in year 2017-18*	-	-	50.00
10.1674 % NCD redeemable in year 2017-18	-	-	75.00
10.1687 % NCD redeemable in year 2017-18	-	-	100.00
10.5 % NCD redeemable in year 2017-18	-	-	60.00
9.9756 % NCD redeemable in year 2017-18	-	-	75.00
0% NCD redeemable in year 2018-19*	-	3.00	3.00
10.2609 % NCD redeemable in year 2018-19	-	300.00	300.00
10.2946 % NCD redeemable in year 2018-19	-	100.00	100.00
9.7307 % NCD redeemable in year 2018-19	-	40.00	40.00
9.3133 % NCD redeemable in year 2019-20	50.00	200.00	-
0% NCD redeemable in year 2019-20*	143.10	143.10	143.10
8.75 % NCD redeemable in year 2019-20	125.00	125.00	-
9.3037 % NCD redeemable in year 2019-20	125.00	125.00	-
10.5 % NCD redeemable in year 2019-20	50.00	50.00	50.00
9.7 % NCD redeemable in year 2019-20	100.00	100.00	100.00
9.25 % NCD redeemable in year 2019-20	50.00	50.00	50.00
9.69 % NCD redeemable in year 2019-20	100.00	100.00	100.00
9.7665 % NCD redeemable in year 2019-20	10.00	10.00	10.00
9.78 % NCD redeemable in year 2019-20	7.50	7.50	7.50
0 % NCD redeemable in year 2020-21*	91.00	91.00	16.00
9.15 % NCD redeemable in year 2020-21	67.90	67.90	-
9.3606 % NCD redeemable in year 2020-21	42.80	42.80	-
9.05 % NCD redeemable in year 2020-21	30.00	30.00	-
0 % NCD redeemable in year 2021-22*	248.90	248.90	-
9.05 % NCD redeemable in year 2021-22	175.00	175.00	-
9.00 % NCD redeemable in year 2021-22	10.00	10.00	10.00
9.20 % NCD redeemable in year 2021-22	70.00	70.00	70.00
9.50 % NCD redeemable in year 2021-22	25.00	25.00	25.00
9.70 % NCD redeemable in year 2021-22	30.00	30.00	30.00
<b>Public issue - Face value of Rs.1000 each</b>			
9.25 % Tranche I -Option I redeemable in year 2021-22	116.52	-	-
0 % Tranche I -Option II redeemable in year 2021-22	24.39	-	-
9.50% Tranche I -Option III redeemable in year 2023-24	365.31	-	-
9.11% Tranche I -Option IV redeemable in year 2023-24	17.03	-	-
9.75% Tranche I -Option V redeemable in year 2028-29	214.81	-	-
9.34% Tranche I -Option VI redeemable in year 2028-29	11.94	-	-
10.00% Tranche II -Option I redeemable in year 2022-23	98.72	-	-
0 % Tranche II -Option II redeemable in year 2022-23	31.73	-	-
10.10% Tranche II -Option III redeemable in year 2023-24	49.09	-	-
9.67% Tranche II -Option IV redeemable in year 2023-24	42.87	-	-
10.25% Tranche II -Option V redeemable in year 2028-29	25.04	-	-
9.81% Tranche II -Option VI redeemable in year 2028-29	16.15	-	-
<b>Total</b>	<b>2,564.80</b>	<b>2,144.20</b>	<b>1,414.60</b>

\* Redeemable at premium

Maturity profile above is disclosed at face value which excludes premium amounting to Rs.0.25 crore (2017-18 : Rs.0.37 crore and 2016-17 : nil) and impact of effective interest rate adjustment amounting to Rs.21.93 crore (As at March 31, 2018 : nil and As at April 1, 2017 : nil).

**15.3 The maximum amount of commercial paper outstanding at any time during the year was Rs.1,540.00 crore (Previous year Rs. 955.00 crore for FY 2017-18, Rs.810 crore for FY 2016-17).**



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

15.4 Commercial paper has interest ranging from 7.59% to 10.50% p.a (6.78% to 8.90% p.a for FY 2017-18 and 7.35 % to 8.25% p.a for FY 2016-17) and are repayable within a period upto 365 days from the date of disbursement

**16 Borrowings (Other than Debt securities)**

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017	(Rs in Crore)
<b>At amortized cost</b>				
Term loans				
(i) from banks				
-Secured (refer note 16.1)	2,089.70	2,436.12	1,868.70	
(ii) from other parties	125.00	125.00	-	
-Secured (refer note 16.1)	5.48	9.51	7.90	
Interest payables	136.23	53.80	66.08	
Cash Credit Facility from Banks (refer note 16.2)	0.02	0.05	0.08	
Finance lease obligations (secured by way of hypothecation of vehicles)				
<b>Total</b>	<b>2,356.43</b>	<b>2,624.48</b>	<b>1,942.76</b>	

Borrowings are made within India.

16.1 Term loans are secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company. Also includes impact of effective interest rate of Rs.2.22 crore (As at March 31, 2018: Rs 2.69 crore and As at April 1, 2017 : Rs.2.36 crore).

Maturity profile and rate of interest of term loans:

Residual Maturities	As at 31.03.2019			(Rs in Crore)
	Up to one year (April 2019 to March 2020)	1-3 years (April 2020 to March 2022)	3 years & above (April 2022 onwards)	
8.00 % to 9.00%	245.00	229.73	-	
9.01 % to 10.00%	708.85	755.52	77.82	
10.01% to 11.00%	40.00	160.00	-	
<b>Total</b>	<b>993.85</b>	<b>1,145.25</b>	<b>77.82</b>	

Maturity profile shown excluding effective interest rate impact amounting to Rs.2.11 crore

Residual Maturities	As at 31.03.2018			(Rs in Crore)
	Up to one year (April 2018 to March 2019)	1-3 years (April 2019 to March 2021)	3 years & above (April 2021 onwards)	
8.00 % to 9.00%	592.07	1,661.73	175.00	
9.01 % to 10.00%	60.00	75.00	-	
10.01% to 11.00%	-	-	-	
<b>Total</b>	<b>652.07</b>	<b>1,736.73</b>	<b>175.00</b>	

Maturity profile shown excluding effective interest rate impact amounting to Rs.2.68 crore

Residual Maturities	As at 01.04.2017			(Rs in Crore)
	Up to one year (April 2017 to March 2018)	1-3 years (April 2018 to March 2020)	3 years & above (April 2020 onwards)	
8.00 % to 9.00%	240.07	910.99	320.00	
9.01 % to 10.00%	53.08	139.42	7.50	
10.01% to 11.00%	64.99	135.01	-	
<b>Total</b>	<b>358.14</b>	<b>1,185.42</b>	<b>327.50</b>	

Maturity profile shown excluding effective interest rate impact amounting to Rs.2.36 crore



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

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

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

**17 Other financial liabilities**

	(Rs in Crore)		
	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Employee benefits payable	30.97	25.46	22.40
NCD Application Money	0.52	-	-
	<b>31.49</b>	<b>25.46</b>	<b>22.40</b>

**18 Current tax liabilities (net)**

	(Rs in Crore)		
	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Provision for tax (net)	3.17	1.78	-
	<b>3.17</b>	<b>1.78</b>	<b>-</b>

**19 Provisions**

	(Rs in Crore)		
	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
For employee benefits:			
Gratuity (refer note 36)	1.00	0.68	0.37
Compensated absences	0.61	0.46	0.31
	<b>1.61</b>	<b>1.14</b>	<b>0.68</b>

**20 Other non-financial liabilities**

	(Rs in Crore)		
	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Statutory dues	0.73	5.32	1.19
	<b>0.73</b>	<b>5.32</b>	<b>1.19</b>



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**21 Equity Share capital**

		As at 31.03.2019	As at 31.03.2018	As at 01.04.2017	(Rs in Crore)
<b>Authorised</b>					
30,00,000 Equity shares of Rs 10/- each		3.00	3.00	3.00	
20,00,000 Preference shares of Rs 10/- each		2.00	2.00	2.00	
		5.00	5.00	5.00	
<b>Issued, Subscribed and Paid-up</b>					
28,26,816 (F.Y 2018- 24,99,500) (F.Y 2017		2.83	2.50	2.47	
24,65,296) Equity shares of Rs 10/- each fully paid-up					
19,837 (F.Y 2018- nil) (F.Y 2017 nil) Equity shares of		0*	-	-	
Rs 2/- each partly paid-up					
		2.83	2.50	2.47	

# Rs.39,674/-

**Reconciliation of the number of equity shares outstanding**

		As at 31.03.2019		As at 31.03.2018	
		Number	Amount	Number	Amount
Shares outstanding at the beginning of the year		2,499,500	2.50	2,465,296	2.47
Shares issued during the year pursuant to private placement - fully paid up		327,316	0.33	-	-
Shares issued during the year pursuant to private placement - partly paid up		19,837	0*	-	-
Shares issued during the year pursuant to conversion		-	-	34,204	0.03
<b>Shares outstanding at the end of the year</b>		<b>2,846,653</b>	<b>2.83</b>	<b>2,499,500</b>	<b>2.50</b>

# Rs.39,674/-

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

	As at 31.03.2019		As at 31.03.2018		As at 31.03.2017	
	Number	%	Number	%	Number	%
JM Financial Limited along with its nominees*	1,339,268	47.05%	12,50,000	50.01%	12,50,000	50.70%
JNH Mauritius 1	1,384,087	48.62%	12,15,296	48.62%	12,15,296	49.30%

\*includes 19,837 partly paid up shares having paid up amount of Rs.2/- per share

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

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



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

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**22 Other Equity**

	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>	<b>As at 01.04.2017</b>	<b>(Rs in Crore)</b>
Compulsory Convertible Preference Shares	-	-	0.03	
Securities premium account	1,715.27	881.16	881.16	
General reserve	0.17	0.17	0.17	
Statutory reserve	252.37	171.09	105.43	
Debenture Redemption Reserve	33.76	-	-	
Retained Earnings	904.89	613.57	364.33	
<b>Grand Total</b>	<b>2,906.46</b>	<b>1,665.99</b>	<b>1,351.12</b>	

	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>	<b>(Rs in Crore)</b>
<b>Compulsory Convertible Preference Shares</b>			
Opening balance	-	0.03	
Addition	-	-	
Pursuant to conversion into equity shares	-	(0.03)	
<b>Closing balance</b>	-	-	
 <b>Securities premium account</b>			
Opening balance	881.16	881.16	
(+) on issue of share	834.67	-	
(-) utilised for share issue expenses	(0.55)	-	
<b>Closing balance</b>	<b>1,715.28</b>	<b>881.16</b>	
 <b>General reserve</b>			
Opening balance	0.17	0.17	
Addition	-	-	
<b>Closing balance</b>	<b>0.17</b>	<b>0.17</b>	
 <b>Statutory reserve (Section 45-IC of the RBI Act, 1934)</b>			
Opening balance	171.09	105.43	
Addition	81.28	65.66	
<b>Closing balance</b>	<b>252.37</b>	<b>171.09</b>	
 <b>Debenture Redemption Reserve</b>			
Opening balance	-	-	
Addition	33.76	-	
<b>Closing balance</b>	<b>33.76</b>	-	
 <b>Retained earnings:</b>			
Opening balance	613.57	364.33	
(+) Profit for the year	406.39	314.92	
(+/-) Other Comprehensive Income	(0.03)	(0.02)	
<b>(-) Appropriations</b>	<b>1,019.93</b>	<b>679.23</b>	
Transferred to statutory reserve	81.28	65.66	
Transferred to Debenture redemption reserve	33.76	-	
<b>Closing balance</b>	<b>115.04</b>	<b>65.66</b>	
<b>Grand Total</b>	<b>904.89</b>	<b>613.57</b>	
	<b>2,906.47</b>	<b>1,665.99</b>	

**Note:**

The Board of Directors of the Company has recommended a final dividend of Re.1 per equity share of the face value of Rs.10/- each (in proportion to the partly paid-up amount) for the year ended March 31, 2019. The said dividend will be paid, if approved by the shareholders at the Thirty Ninth Annual General Meeting.



**Securities premium reserve**

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**General reserve**

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

**Statutory Reserve:**

Statutory Reserve is the reserve created by transferring a sum not less than twenty per cent of its net profit after tax every year in terms of Section 45-IC of the RBI Act, 1934.

**Debenture Redemption Reserve:**

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

**Retained earnings:**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, statutory reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.



**JM FINANCIAL**  
**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

**23 Interest Income**

(Rs in Crore)

	<b>Year Ended March 31, 2019</b>	<b>Year Ended March 31, 2018</b>
<b>at Amortised Cost</b>		
Interest on Loans	1,258.01	923.11
	<b>1,258.01</b>	<b>923.11</b>

**24 Fees and Commission Income**

(Rs in Crore)

	<b>Year Ended March 31, 2019</b>	<b>Year Ended March 31, 2018</b>
Other Fees	5.11	15.08
	<b>5.11</b>	<b>15.08</b>

**25 Net gain on fair value changes**

(Rs in Crore)

	<b>Year Ended March 31, 2019</b>	<b>Year Ended March 31, 2018</b>
Gain on financial instruments (investments) designated at fair value through profit and loss (Unrealised)	0.29	-
<b>Total gain on fair value changes</b>	<b>0.29</b>	<b>-</b>

\*Fair value changes in this schedule are other than those arising on account of accrued interest income/expense

**26 Other Operating Income**

(Rs in Crore)

	<b>Year Ended March 31, 2019</b>	<b>Year Ended March 31, 2018</b>
Profit on Sale of Investments (net)	13.61	1.96
Profit on early redemption of Debentures	1.79	-
Interest Income – others	0.28	-
	<b>15.68</b>	<b>1.96</b>



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**27 Finance costs**

	(Rs in Crore)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>At Amortised Cost</b>		
Debt Securities	327.39	199.85
Borrowings(Other than Debt securities)	239.87	180.26
Other Interest expense	11.48	9.79
	<b>578.74</b>	<b>389.90</b>

**28 Impairment on financial instruments**

	(Rs in Crore)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>At amortised cost</b>		
On loans	15.99	19.20
	<b>15.99</b>	<b>19.20</b>

**29 Employee benefits expense**

	(Rs in Crore)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries, bonus, other allowances and benefits	30.73	22.80
Contribution to provident and other funds	0.56	0.43
Gratuity (refer note 36)	0.16	0.28
Staff welfare expenses	0.07	0.05
	<b>31.52</b>	<b>23.56</b>

**30 Other expenses**

	(Rs in Crore)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Rates & taxes	1.14	1.28
Legal & professional fees	2.18	1.73
Support service charges	8.37	10.7
Space and related charges	2.29	1.75
Information technology expenses	0.33	0.30
Travelling & conveyance	0.83	0.82
Auditors remuneration (Refer note 33)	0.12	0.11
Repairs and maintenance	0.18	0.13
Electricity expenses	0.16	0.13
Donation	9.14	6.01
Insurance Expense	0.11	0.06
Bank charges	0.06	0.06
Printing & Stationery	0.06	0.06
Membership and Subscription	0.25	0.22
Communication expenses	0.07	0.06
Director Sitting Fees	0.09	0.08
Director commission	0.65	-
Miscellaneous expenses	0.23	0.15
	<b>26.26</b>	<b>23.65</b>



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**31 Income Tax**

	(Rs in Crore)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Current tax	223.54	179.22
Deferred tax	(4.20)	(10.53)
Tax adjustment in respect of earlier years	0.62	-
<b>Total income tax expenses recognised in the current year</b>	<b>219.96</b>	<b>168.69</b>
Income tax expense recognised in other comprehensive income	0.01	0.01

**Reconciliation of total tax charge**

	(Rs in Crore)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	626.35	483.61
Income tax rate	34.94%	34.61%
Income tax expense	218.87	167.37
<b>Tax Effect of:</b>		
Items that are allowable or disallowable in determining taxable profits (net)	1.80	1.32
Adjustment in respect of earlier years (net)	(0.71)	-
<b>Total</b>	<b>1.09</b>	<b>1.32</b>
<b>Income tax expense recognised in profit and loss</b>	<b>219.96</b>	<b>168.69</b>

The tax rate used for reconciliation above is the corporate tax rate applicable to companies in India on taxable profit under the tax laws in Indian Jurisdiction i.e. Income tax Act, 1961.

**32 Contingent Liabilities and Commitments**

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Contingent liability</b>	-	-	-
<b>Commitments</b>			
Undisbursed Commitment *	226.29	941.01	62.26
Capital Commitments	-	-	-

\*This disclosure is given pursuant to the notification no.DNBS.CC.PD.No.252/03,10.01/2011-12 dated December 26, 2011 issued by Reserve Bank of India.



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**33 Payment to Auditors: (Excluding Goods and Services Tax) (In Rs Crore)**

	For the year ended 31.03.2019	For the year ended 31.03.2018
Audit Fees	0.09	0.08
In any other manner (Certifications, limited reviews, etc.)*	0.02	0.03
Out of pocket	0.01	0*
<b>Total</b>	<b>0.12</b>	<b>0.11</b>
Fees paid in connection with Public issue of NCD included for measurement of financial liabilities at amortized cost	0.08	-

# Denotes amount below Rs.50,000/-

**34 Earnings per share**

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

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit for the year (In Rs Crore)	406.39	314.92
Profit attributable to equity shareholders (In Rs Crore)	406.39	314.92
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	2,666,591	2,489,098
Basic earnings per share (Rupees)	1,524.01	1,265.20
Dilutive potential equity shares (Nos.)	8,043	-
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	2,674,634	2,489,098
Diluted earnings per share (Rupees)	1,519.43	1,265.20
Nominal value per share (Rupees)	10	10

**35 Lease Transactions**
**A Operating leases**

The Company has taken certain premises on non-cancellable operating lease basis. The tenure of agreements are executed for the period ranging from 60 months to 108 months with a non-cancellable period at the beginning of the agreement range for 36 months to 60 months and having a renewable clause.

The future minimum rental payments in respect of non-cancellable lease for premises are as follows:

Due	Total minimum lease payments outstanding as at 31st March, 2019 (In Rs Crore)	Total minimum lease payments outstanding as at 31st March, 2018 (In Rs Crore)	Total minimum lease payments outstanding as at 31st March, 2017 (In Rs Crore)	(Rs in Crore)
				(In Rs Crore)
Not later than one year	2.26	1.89	1.32	
Later than one year and not later than five years	9.10	7.12	5.06	
Later than five years	13.47	-	-	
<b>Total</b>	<b>24.83</b>	<b>9.01</b>	<b>6.38</b>	

Lease payments recognised in the Statement of Profit and Loss for the current year are Rs. 2.06 crore (2017-18 : Rs. 1.62 crore and 2016-17 : Rs. 1.33 crore) excluding GST and Service tax.



## JM FINANCIAL CREDIT SOLUTIONS LIMITED

### B Finance leases

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

	Minimum lease Payments			Present Values of Minimum lease Payments		
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017
Not later than one year	0.02	0.04	0.05	0.02	0.03	0.04
Later than one year and not later than five years	-	0.02	0.06		0.02	0.05
Later than five years	-	-	-		-	-
<b>Total</b>	<b>0.02</b>	<b>0.06</b>	<b>0.11</b>	<b>0.02</b>	<b>0.05</b>	<b>0.09</b>
Less: future finance charges	0*	0.01	0.02			
Present value of minimum lease payments	0.02	0.05	0.09			

# Denotes amount below Rs.50,000/-

The Company has option to purchase the vehicle for a nominal amount at the end of lease terms.



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**36 Employee Benefits**
**Defined contribution plans**

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

The Company's contribution to Provident Fund aggregating Rs. 0.57 crore (2018: Rs.0.43 crore; 2017: Rs.0.32 crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

**Defined benefit obligation**

The Company's liabilities under the Payment of Gratuity Act,1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

a) The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Discount rate	7.55%	7.85%	7.20%
Expected rate of salary increase	7.00% Indian Assured Lives Mortality (2012-14) Ult table.	7.00% Indian Assured Lives Mortality (2006-08) Ult table.	7.00% Indian Assured Lives Mortality (2006-08) Ult table.
Mortality rate			



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

b) Amount recognised in statement of profit and loss in respect of these defined benefit obligation.

(Rs. in crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Current service cost	0.11	0.05
Net interest cost	0.05	0.02
Past service cost	-	0.21
<b>Total amount recognised in statement of profit and loss</b>	<b>0.16</b>	<b>0.28</b>
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	0*	0*
- Actuarial (gain)/loss from change in financial assumptions	0.02	(0.05)
- Actuarial (gain)/loss from change in experience adjustments	0.02	0.08
<b>Total amount recognised in other comprehensive income</b>	<b>0.04</b>	<b>0.03</b>
<b>Total</b>	<b>0.20</b>	<b>0.31</b>

#Denotes below Rs.50,000/-

The current service cost and the net interest expense for the year are included in the 'in the Employee benefit expense' line item in the statement of profit and loss.

c) The amount included in the balance sheet arising from Company's obligation in respect of its defined benefit plan is as follows:

(Rs. in crore)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Present value of defined benefit obligation	1.00	0.68	0.37
Fair value of plan assets	-	-	-
<b>Net liabilities arising from defined benefit obligation</b>	<b>1.00</b>	<b>0.68</b>	<b>0.37</b>

d) Movement in the present value of the defined benefit obligation are as follows:

(Rs. in crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	0.68	0.37
Current service cost	0.11	0.05
Past service cost	-	0.21
Interest cost	0.05	0.02
<b>Remeasurements (gains)/losses:</b>		
- Actuarial (gain)/loss from change in demographic assumptions	0*	-
- Actuarial (gain)/loss from change in financial assumptions	0.03	(0.05)
- Actuarial (gain)/loss from change in experience adjustments	0.01	0.08
Benefits paid	-	-
Liabilities assumed/(settled)	0.12	-
<b>Closing defined benefit obligation</b>	<b>1.00</b>	<b>0.68</b>

#Denotes amount less than Rs.50,000/-



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

- e) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows:

Particulars	31st March 2019	31st March 2018	1st April 2017	(Rs. in crore)
Defined benefit obligation (base)	1.00	0.68	0.37	

Particulars	As at 31.03.2019		As at 31.03.2018	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
Defined benefit obligation on increase in 50 bps	0.95	1.03	0.64	0.70
Impact of increase in 50 bps on DBO	-4.80%	2.45%	-5.36%	2.57%
Defined benefit obligation on decrease in 50 bps	1.05	0.98	0.72	0.66
Impact of decrease in 50 bps on DBO	5.20%	-2.31%	5.84%	-2.79%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

f) **Projected benefits payable:**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018	(Rs. in crore)
Expected benefits for year 1	0.05	0.03	
Expected benefits for year 2	0.05	0.04	
Expected benefits for year 3	0.05	0.04	
Expected benefits for year 4	0.23	0.04	
Expected benefits for year 5	0.05	0.04	
Expected benefits for year 6	0.05	0.04	
Expected benefits for year 7	0.21	0.04	
Expected benefits for year 8	0.04	0.20	
Expected benefits for year 9	0.20	0.03	
Expected benefits for year 10 and above	1.70	1.57	

The weighted average duration of the defined benefit obligation is 9.98 years (previous year 11.19 years)



**JM FINANCIAL CREDIT SOLUTIONS LIMITED****37 Related Party Disclosure****Names of related parties and description of Relationship****(i) Names of related parties and description of relationship where control exists****Holding Company**

JM Financial Limited

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

JM Financial Limited

**(B) Fellow Subsidiaries**

JM Financial Institutional Securities Limited (up to December 31, 2017)

JM Financial Services Limited

JM Financial Products Limited

JM Financial Properties and Holdings Limited

CR Retail Malls (India) Limited

Infinite India Investment Management Limited

JM Financial Asset Reconstruction Limited

JM Financial Commtrade Limited

**(C) Key management personnel of the reporting entity or of a parent of the reporting entity:**

Mr. Vishal Kampani (KMP of the parent of the reporting entity)

Ms. Amishi Gambhir (close relative of VNK)

Mr. Shashwat Belapurkar (CEO) (KMP of the reporting entity)

**Non-Executive Directors**

Mr. Vikram Pandit

Mr. Hariharan Aiyar

Mr. V P Shetty

Ms. Dipti Neelakantan

**Independent Directors**

Dr. Anup Shah

Mr. Darius E Udwadia

**(D) Enterprise over which close members of family (relatives) of key management personnel are able to exercise significant influence**

J.M. Financial & Investment Consultancy Services Private Limited (JMFICS)



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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**(iii) Details of transactions with related parties;**

Name of the related party	Nature of relationship	As at 31.03.2019 (In Rs Crore)	As at 31.03.2018 (In Rs Crore)
<b>JM Financial Limited</b>	(A)		
Infusion of equity (Fully Paid up)		175.00	-
Infusion of equity (Partly Paid up)		10.00	-
Gratuity Received		0.15	-
Inter corporate deposit taken		100.00	-
Inter corporate deposit repaid		100.00	-
Interest expenses on inter corporate deposits taken		0.55	-
Rating support fees		9.30	6.79
Support service charges		1.98	1.98
Lead Manager Fees		0.16	-
Reimbursement of employee expenses		0.68	-
Reimbursement of expenses		0.04	0.01
<b>JM Financial Properties and Holdings Limited</b>	(B)		
Space and related charges		1.82	1.55
Reimbursement of expenses (paid)		0.33	0.32
Rent deposit taken		1.43	-
Rent deposit repaid		-	1.43
<b>JM Financial Services Limited</b>	(B)		
Brokerage on Débenture issue		5.51	-
Demat charges		-	-
<b>JM Financial Institutional Securities Limited</b>	(B)		
Reimbursement of expenses (paid)		-	0.01
<b>JM Financial Products Limited</b>	(B)		
Inter corporate deposits taken		-	125.00
Inter corporate deposits repaid		-	125.00
Interest expenses on inter corporate deposits taken		-	0.19
Support service charges		5.70	8.00
<b>CR Retail Malls (India) Limited</b>	(B)		
Inter corporate deposits given		-	25.00
Inter corporate deposits received back		-	25.00
Interest income on inter corporate deposits given		-	0.03
<b>JM Financial Asset Reconstruction Company Limited</b>	(B)		
Inter corporate deposits given		100.00	-
Inter corporate deposits received back		100.00	-
Interest income on inter corporate deposits given		0.11	-
<b>Infinite India Investment Management Limited</b>	(B)		
Inter corporate deposits given		100.00	-
Inter corporate deposits received back		100.00	-
Interest income on inter corporate deposits given		0.63	-
<b>JM Financial Comtrade Limited</b>	(B)		
Inter corporate deposits given		-	42.00
Inter corporate deposits received back		-	42.00
Interest income on inter corporate deposits given		-	0.07
<b>Ms. Amishi Gambhir</b>	(C)		
Remuneration		-	0.62
Contribution to provident fund		-	0.01

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

Key management personnel, (Refer Note (a) below) Remuneration	(C)	7.43	6.86
J.M. Financial & Investment Consultancy Services Private Limited (JMFICS) Employee related liability transferred to	(D)	0.03	-

**(iv) Balances of related parties:**

Name of the related party	Nature of relationship	As at 31.03.2019 (In Rs Crore)	As at 31.03.2018 (In Rs Crore)	As at 01.04.2017 (In Rs Crore)
<b>Payables</b>				
JM Financial Limited	(A)	-	2.34	-
JM Financial Services Limited	(B)	-	-	0 <sup>#</sup>
JM Financial Products Limited	(B)	6.16	-	0.99
Ms. Amishi Gambhir	(C)	0.16	0.66	0.62
Key management personnel (Refer note (a) below)	(C)	11.19	8.83	9.86
<b>Security Deposits</b>				
JM Financial Properties and Holdings Limited	(B)	1.43	-	1.43

#Denotes amount less than Rs.50,000/-

- a. The Company enters into transactions, arrangements and agreements involving directors, senior management and their business associates, or close family members, in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

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

34.2 The transactions disclosed above are exclusive of service tax and GST.



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**38 Maturity Analysis of Assets and Liabilities**
**(In Rs Crore)**

		As at 31.03.2019			As at 31.03.2018			As at 01.04.2017		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>										
1	<b>Financial Assets</b>									
A	Cash and cash equivalents	178.33	-	178.33	118.34	-	118.34	1.70	-	1.70
B	Bank Balance other than (A) above	4.50	-	4.50	-	-	-	-	-	-
B	Loans	2,126.09	5,889.95	8,016.04	2,486.66	4,704.90	7,191.56	1,785.14	3,773.37	5,558.51
D	Investments	270.29	25.00	295.29	-	-	-	-	-	-
E	Other Financial assets	3.32	0.74	4.06	-	0.04	0.04	1.47	-	1.47
		2,582.53	5,915.69	8,498.22	2,605.00	4,704.94	7,309.94	1,788.31	3,773.37	5,561.68
2	<b>Non-financial Assets</b>									
A	Current tax assets (net)	-	1.29	1.29	-	0.83	0.83	-	1.28	1.28
B	Deferred tax Assets (Net)	-	59.01	59.01	-	54.51	54.51	-	43.97	43.97
C	Property, Plant and Equipment	-	0.76	0.76	-	0.39	0.39	-	0.50	0.50
D	Other Intangible assets	-	0.22	0.22	-	0.29	0.29	-	0.35	0.35
E	Other non-financial assets	2.07	0.95	3.02	0.48	0.01	0.49	0.55	-	0.55
		2.07	62.23	64.30	0.48	56.03	56.51	0.55	46.10	46.65
	<b>Total Assets</b>	<b>2,584.60</b>	<b>5,977.92</b>	<b>8,562.52</b>	<b>2,605.48</b>	<b>4,760.97</b>	<b>7,366.45</b>	<b>1,788.86</b>	<b>3,819.47</b>	<b>5,608.33</b>



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

(In Rs Crore)

		As at 31.03.2019			As at 31.03.2018			As at 01.04.2017		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>A</b>	<b>Payables</b>									
	(i) 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	11.23	-	11.23	2.85	-	2.85	1.96	-	1.96
<b>B</b>	<b>Debt Securities</b>	1,461.56	1,787.00	3,248.56	1,335.36	1,701.57	3,036.93	1,231.15	1,054.60	2,285.75
<b>C</b>	<b>Borrowings (Other than Debt Securities)</b>	1,098.18	1,258.25	2,356.43	680.67	1,943.81	2,624.48	419.05	1,523.71	1,942.76
<b>D</b>	<b>Other financial liabilities</b>	18.90	12.59	31.49	13.18	12.28	25.46	10.61	11.79	22.40
	<b>Total Financial Liabilities</b>	<b>2,589.87</b>	<b>3,057.84</b>	<b>5,647.71</b>	<b>2,032.06</b>	<b>3,657.66</b>	<b>5,689.72</b>	<b>1,662.77</b>	<b>2,590.10</b>	<b>4,252.87</b>
<b>2</b>	<b>Non-Financial Liabilities</b>									
<b>A</b>	<b>Current tax liabilities (Net)</b>	3.17	-	3.17	1.78	-	1.78	-	-	-
<b>B</b>	<b>Provisions</b>	-	1.61	1.61	-	1.14	1.14	-	0.68	0.68
<b>C</b>	<b>Other non-financial liabilities</b>	0.73	-	0.73	5.32	-	5.32	1.19	-	1.19
	<b>Total Non-Financial Liabilities</b>	<b>3.90</b>	<b>1.61</b>	<b>5.51</b>	<b>7.10</b>	<b>1.14</b>	<b>8.24</b>	<b>1.19</b>	<b>0.68</b>	<b>1.87</b>
	<b>Total</b>	<b>2,592.74</b>	<b>3,060.48</b>	<b>5,653.22</b>	<b>2,039.16</b>	<b>3,658.80</b>	<b>5,697.96</b>	<b>1,663.96</b>	<b>2,590.78</b>	<b>4,254.74</b>
	<b>Net</b>	<b>(9.17)</b>	<b>2,918.47</b>	<b>2,909.30</b>	<b>566.32</b>	<b>1,102.17</b>	<b>1,668.49</b>	<b>124.89</b>	<b>1,228.70</b>	<b>1,353.59</b>



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**39 First-time Ind AS adoption reconciliations**

Reconciliation of equity as at April 1, 2017 and March 31, 2018 and profit or loss for the year ended March 31, 2018

Particulars	Note No	Total Comprehensive income Reconciliation	(In Rs Crore)	
			Year ended March 31, 2018	As at March 31, 2018
<b>Net profit / Total Equity as per previous Indian GAAP</b>		328.29	1,741.56	1,413.27
<b>IndAS Adjustments:</b>				
Measurement of Financial Liabilities at Amortised Cost	2	1.74	4.98	3.24
Measurement of Financial Assets at Amortised Cost	1	(19.79)	(94.32)	(74.53)
Expected Credit Loss allowance on Investments and loans	4	(2.41)	(22.39)	(19.98)
Actuarial Loss on Employee Benefits (net of tax)	3	0.02	-	-
Impact of deferred tax on above adjustment	5	7.07	38.66	31.59
<b>Total</b>		(13.37)	(73.07)	(59.68)
<b>Net profit / Total Equity as per Ind AS</b>		314.92	1,668.49	1,353.59
Other comprehensive income (net of tax)		0.02	-	-
<b>Total Comprehensive income / Total Equity as per Ind AS</b>		314.90	1,668.49	1,353.59

- Under previous GAAP, loans were carried at cost whereas under IND AS loans are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The loans that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per effective interest rate method.
- Under Previous GAAP, transaction costs on borrowings were charged to Statement of Profit and Loss as and when incurred. Under Ind AS, these costs are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method.
- Under previous GAAP, Company recognises actuarial gains/losses on defined benefit plan in the profit and loss account. Under Ind AS, the actuarial gains and losses will be recognised in other comprehensive income as remeasurements.
- Under previous GAAP, provision for doubtful loans was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, are determined using the expected credit loss model.
- Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. It also includes impact of deferred tax arising on account of transition to IND AS

Impact of Ind AS adoption on the statements of Cash flows for the year ended March 31, 2018

Particulars	Previous GAAP	Adjustments	Ind AS
Cash flow from operating activities	(1,295.79)	(22.35)	(1,318.14)
Cash flow from investing activities	1.90	0.00	1.90
Cash flow from financing activities	1,410.53	22.35	1,432.88
<b>Net increase in Cash and cash equivalents</b>	<b>116.64</b>	<b>0.00</b>	<b>116.64</b>

The adjustments are primarily on account of Ind AS reclassifications.



#### 40 Financial Instruments

##### Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholders value and minimize cost of capital. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using adjusted net debt (total borrowings net of cash and cash equivalents) to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

Borrowings	As at March 31, 2019	As at March 31, 2018	(In Rs Crore) As at April 1, 2017
<b>Debt</b>	<b>5,604.99</b>	<b>5,661.41</b>	<b>4,228.51</b>
Less - Cash and cash equivalents*	177.81	118.34	1.70
Less - Investment in liquid mutual funds**	270.29	-	-
Less - Other bank deposits	-	-	-
<b>Adjusted net debt</b>	<b>5,156.89</b>	<b>5,543.07</b>	<b>4,226.81</b>
<b>Total equity</b>	<b>2,909.29</b>	<b>1,668.49</b>	<b>1,353.59</b>
<b>Adjusted net debt to equity ratio</b>	<b>1.77</b>	<b>3.32</b>	<b>3.12</b>

\*excludes balances in earmarked account.

\*\*Investment in mutual funds are matured and the money is received on next working day.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

The Company is subject to capital adequacy ratio ("CAR") requirements which are prescribed by the RBI. The Company is currently required to maintain a minimum 15.0 % as prescribed under the prudential norms of the RBI under the Master Direction – Non-Banking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 based on the total capital to risk weighted assets as part of the governance policy. We generally maintain capital adequacy higher than the statutorily prescribed CAR. As at March 31, 2019, the capital adequacy ratio, which was computed on the basis of the applicable RBI requirements, is disclosed in Note 48.2. We believe that our high capital adequacy gives us significant headroom to grow our business.

##### Financial instruments

###### A. Fair Value

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Set out below, is the accounting classification of financial instruments by category:



(In Rs Crore)

<b>As at March 31, 2019</b>	<b>FVTPL</b>	<b>Amortised Cost</b>	<b>Total</b>
<b>Financial assets</b>			
Cash and cash equivalents	-	178.33	178.33
Bank Balance other than (a) above	-	4.50	4.50
Loans	-	8,016.04	8,016.04
Investments	295.29	-	295.29
Other Financial assets	-	4.06	4.06
<b>Total</b>	<b>295.29</b>	<b>8,202.93</b>	<b>8,498.22</b>
<b>Financial liabilities</b>			
Debt securities	-	3,248.56	3,248.56
Borrowings	-	2,356.43	2,356.43
Trade payables	-	11.23	11.23
Other Financial Liabilities	-	31.49	31.49
<b>Total</b>		<b>5,647.71</b>	<b>5,647.71</b>

(In Rs Crore)

<b>As at March 31, 2018</b>	<b>FVTPL</b>	<b>Amortised Cost</b>	<b>Total</b>
<b>Financial assets</b>			
Cash and cash equivalents	-	118.34	118.34
Bank Balance other than (a) above	-	-	-
Loans	-	7,191.56	7,191.56
Investments	-	-	-
Other Financial assets	-	0.04	0.04
<b>Total</b>		<b>7,309.94</b>	<b>7,309.94</b>
<b>Financial liabilities</b>			
Debt securities	-	3,036.93	3,036.93
Borrowings	-	2,624.48	2,624.48
Trade payables	-	2.85	2.85
Other Financial Liabilities	-	25.46	25.46
<b>Total</b>		<b>5,689.72</b>	<b>5,689.72</b>

(In Rs Crore)

<b>As at April 01, 2017</b>	<b>FVTPL</b>	<b>Amortised Cost</b>	<b>Total</b>
<b>Financial assets</b>			
Cash and cash equivalents	-	1.70	1.70
Bank Balance other than (a) above	-	-	-
Loans	-	5,558.51	5,558.51
Investments	-	-	-
Other Financial assets	-	1.47	1.47
<b>Total</b>		<b>5,561.68</b>	<b>5,561.68</b>
<b>Financial liabilities</b>			
Debt securities	-	2,285.75	2,285.75
Borrowings	-	1,942.76	1,942.76
Trade payables	-	1.96	1.96
Other Financial Liabilities	-	22.40	22.40
<b>Total</b>		<b>4,252.87</b>	<b>4,252.87</b>

- The Company considers that the carrying amounts recognised in the financial statements for Loans, Debt Securities and Borrowings approximate their fair values.
- For financial assets / liabilities ("financial instruments") that are measured at fair value, except those included in point (a) above, the carrying amounts are equal to the fair values, as these financial instruments are maturing within 12 months or repayable on demand.



## JM FINANCIAL CREDIT SOLUTIONS LIMITED

### Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

**Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:**

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

### Valuation processes and Technique

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO and the team at least once every three months, in line with the Company's quarterly reporting periods."

Type of Financial Instrument		Valuation Technique			
As at March 31, 2019		Carrying Value	Level 1	Level 2	Level 3
			(In Rs Crore)		
Investment in Mutual Funds		NAV as on the reporting date.			
<b>Financial assets</b> <b>Measured at FVTPL</b>					
Investments in Mutual Fund	270.29	270.29	-	-	270.29
Investments in Debentures or Bonds	25.00	-	-	25.00	25.00
Investments in Equity instrument	0*	-	-	0*	0*
<b>Total</b>	<b>295.29</b>	<b>270.29</b>	<b>-</b>	<b>25.00</b>	<b>295.29</b>

# Denotes amount less than Rs.50,000/-



**B. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk ; and
- Market risk (including interest rate risk)

**Risk management framework**

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

**i. Credit risk.**

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the Company exposure level for corporate borrowers. Company has structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. Credit teams track cases for early signs of stress, ensuring that corrective action is taken in the case of non – starter or early delinquency cases. Credit approvers and relationship managers are responsible for ensuring adherence to these policies.

***Credit Risk Assessment Methodology***

The Company has an established credit analysis procedure leading to appropriate identification of credit risk. Appropriate appraisals have been established for various types of products and businesses. The methodology involves critical assessment of quantitative and qualitative parameters subject to review and approval of BOD

Finance approval process begins with a detailed evaluation of technical, commercial, financial, marketing and management factors and the sponsor's financial strength and experience.

As part of the appraisal process, a risk matrix is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project. After credit approval, a letter of intent is issued to the borrower, which outlines the principal financial terms of the proposed facility, sponsor obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower.

After completion of all formalities by the borrower, a loan agreement is entered into with the borrower.

The Company has set out security creation requirements in the loan documents. In any kind of real estate lending transaction the company maintains a security and receivables cover between 1.5 to 2 times of the loan amount. This gives enough flexibility in the event the real estate prices come down or there is a cost overrun. It also helps ensure equity of the promoter in the project in terms of the residual value cover.

The Company monitors the completeness of documentation and the creation of security through regular visits to the business outlets by the regional executives, head office executives and internal auditors. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently.

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



## JM FINANCIAL CREDIT SOLUTIONS LIMITED

The Company believes that our close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

We also require the borrower to submit periodic reports. The Credit Committee of the Company, apart from approving proposals, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the Credit Committee is submitted to the Board for its information. The Company continue to monitor the credit exposure until our loans are fully repaid.

The Company's is currently using the external rating given to the customers which they review on a timely basis.

The credit impaired assets as at the reporting dates were secured by collateral and the asset cover is upto 2.7 times of the outstanding balance.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	High quality assets	12-month ECL
Stage 2	Assets for which there is no significant increase in credit risk	Lifetime ECL
Stage 3	Assets for which there is significant increase in credit risk	Lifetime ECL – credit-impaired

*The key elements in calculation of ECL are as follows:*

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on comparative external ratings.

EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	7,582.46	52.32	7,530.14	2.07 to 3.49
Stage 2 – Assets for which there is no significant increase in credit risk	Loan	423.57	6.30	417.27	5.95 to 11.13
Stage 3 - Assets for which there is significant increase in credit risk	Loan	85.07	16.44	68.63	Refer note

Note: The Company has used discounted cashflow methodology to determine provision for significantly impaired assets.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending

	(In Rs Crore)				
	2018-19	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance*</b>	7,046.50	128.33	75.80	7,250.63	
New assets originated or purchased	3,601.54	2.28	-	3,603.82	
Assets derecognised or repaid (excluding write offs)	(2,675.53)	(87.82)	-	(2,763.35)	
Transfers to Stage 1	-	-	-	-	
Transfers to Stage 2	(390.05)	390.05	-	-	
Transfers to Stage 3	-	(9.27)	9.27	-	
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	
Amounts written off	-	-	-	-	
<b>Gross carrying amount closing balance*</b>	<b>7,582.46</b>	<b>423.57</b>	<b>85.07</b>	<b>8,091.10</b>	

\*Including interest accrued

	(In Rs Crore)				
	2017-18	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance*</b>	5,217.78	380.60	-	-	5,598.38
New assets originated or purchased	4,810.24	-	-	-	4,810.24
Assets derecognised or repaid (excluding write offs)	(2,854.58)	(304.80)	-	-	(3,159.38)
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	(126.94)	128.33	-	-	1.39
Transfers to Stage 3	-	(75.80)	75.80	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-
Amounts written off	-	-	-	-	-
<b>Gross carrying amount closing balance*</b>	<b>7,046.50</b>	<b>128.33</b>	<b>75.80</b>	<b>7,250.63</b>	

\*Including interest accrued



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

Reconciliation of ECL balance is given below

(In Rs Crore)

	2018-19			
	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance - opening balance</b>	<b>49.57</b>	<b>1.92</b>	<b>7.58</b>	<b>59.07</b>
New assets originated or purchased	21.40	0.03	-	21.43
Assets derecognised or repaid (excluding write offs)	(15.85)	(1.08)	-	(16.93)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(2.80)	5.82	-	3.02
Transfers to Stage 3	-	(0.39)	8.86	8.47
<b>"Impact on year end ECL of exposures transferred between stages during the year"</b>	<b>(2.80)</b>	<b>5.43</b>	<b>8.86</b>	<b>11.49</b>
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
<b>ECL allowance - closing balance</b>	<b>52.32</b>	<b>6.30</b>	<b>16.44</b>	<b>75.06</b>

(In Rs Crore)

	2017-18			
	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance - opening balance</b>	<b>34.22</b>	<b>5.65</b>	-	<b>39.87</b>
New assets originated or purchased	35.43	-	-	35.43
Assets derecognised or repaid (excluding write offs)	(19.22)	(4.57)	-	(23.79)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(0.86)	1.93	-	1.07
Transfers to Stage 3	-	(1.09)	7.58	6.49
<b>"Impact on year end ECL of exposures transferred between stages during the year"</b>	<b>(0.86)</b>	<b>0.84</b>	<b>7.58</b>	<b>7.56</b>
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
<b>ECL allowance - closing balance</b>	<b>49.57</b>	<b>1.92</b>	<b>7.58</b>	<b>59.07</b>



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**ii) Liquidity risk**

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

We manage liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

"The Company has undrawn lines of credit of Rs.148 Crore, Rs. 241 Crore and Rs. 169 Crore as of March 31, 2019, March 31, 2018 and April 1, 2017 respectively, from its bankers for working capital requirements.

The Company has the right to draw upon these lines of credit based on its requirement and terms of draw down.

**Exposure to liquidity risk**

The following are the details of Company's remaining contractual maturities of financial liabilities and assets at the reporting date. The amounts are gross.

March 31, 2019	Carrying amount (Gross)	(In Rs Crore)			
		0-1 year	1-3 years	3-5 years	More than 5 years
<b>Financial liabilities</b>					
Trade Payables	11.23	11.23	-	-	-
Debt Securities	3,248.56	1,417.18	966.51	596.96	267.91
Borrowings	2,356.43	1,142.59	1,181.02	32.82	-
Other financial liabilities	31.49	18.72	6.42	4.21	2.14
<b>Total</b>	<b>5,647.71</b>	<b>2,589.72</b>	<b>2,153.95</b>	<b>633.99</b>	<b>270.05</b>
<b>Financial Assets</b>					
Cash and cash equivalents	178.33	178.33	-	-	-
Bank Balance	4.50	4.50	-	-	-
Loans	8,016.04	2,126.09	4,678.59	818.49	392.87
Investments	295.29	270.29	-	-	25.00
Other Financial assets	4.06	4.06	-	-	-
<b>Total</b>	<b>8,498.22</b>	<b>2,583.27</b>	<b>4,678.59</b>	<b>818.49</b>	<b>417.87</b>



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

		(In Rs Crore)				
March 31, 2018		Carrying amount (Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
<b>Financial Liabilities</b>						
Trade Payables		2.85	2.85	-	-	-
Debt Securities		3,036.93	1,302.01	1,174.91	560.01	-
Borrowings		2,624.48	712.74	1,736.74	175.00	-
Other financial liabilities		25.46	13.42	12.04	(0.00)	-
<b>Total</b>		<b>5,689.72</b>	<b>2,031.02</b>	<b>2,923.69</b>	<b>735.01</b>	-
<b>Financial Assets</b>						
Cash and cash equivalents		118.34	118.34	-	-	-
Bank Balance		-	-	-	-	-
Loans		7,191.56	2,486.66	3,656.82	1,048.08	-
Investments		-	-	-	-	-
Other Financial assets		0.04	0.04	-	-	-
<b>Total</b>		<b>7,309.94</b>	<b>2,605.04</b>	<b>3,656.82</b>	<b>1,048.08</b>	-

		(In Rs Crore)				
April 01, 2017		Carrying amount (Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
<b>Financial Liabilities</b>						
Trade Payables		1.96	1.96	-	-	-
Debt Securities		2,285.75	1,219.16	906.76	159.83	-
Borrowings		1,942.76	429.84	1,185.42	327.50	-
Other financial liabilities		22.40	10.61	9.59	2.20	-
<b>Total</b>		<b>4,252.87</b>	<b>1,661.57</b>	<b>2,101.77</b>	<b>489.53</b>	-
<b>Financial Assets</b>						
Cash and cash equivalents		1.70	1.70	-	-	-
Bank Balance		-	-	-	-	-
Loans		5,558.51	1,785.14	3,166.70	606.67	-
Investments		-	-	-	-	-
Other Financial assets		1.47	1.47	-	-	-
<b>Total</b>		<b>5,561.68</b>	<b>1,788.31</b>	<b>3,166.70</b>	<b>606.67</b>	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

### iii) Market risk - Interest rate risk

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.



## JM FINANCIAL CREDIT SOLUTIONS LIMITED



### Exposure to interest rate risk

The Company's exposures to interest rates on loans and borrowings are detailed in the liquidity risk management section of this note

	March 31, 2019	March 31, 2018	April 1, 2017	(In Rs Crore)
<b>Loans</b>				
Fixed-rate instruments	5,337.82	6,033.53	5,031.14	
Floating-rate instruments	2,690.88	1,211.04	552.48	
<b>Total</b>	<b>8,028.70</b>	<b>7,244.57</b>	<b>5,583.62</b>	
<b>Borrowings</b>				
Fixed-rate instruments	3,193.05	3,055.82	2,201.13	
Floating-rate instruments	2,225.93	2,489.92	1,934.78	
<b>Total</b>	<b>5,418.98</b>	<b>5,545.74</b>	<b>4,135.91</b>	

### Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's profit before tax would have changed by the following:

	March 31, 2019		March 31, 2018		(In Rs Crore)
	100 bps higher	100 bps lower	100 bps higher	100 bps lower	
Floating rate loans	26.91	(26.91)	12.11	(12.11)	
Floating rate borrowings	(22.26)	22.26	(24.90)	24.90	
	<b>4.65</b>	<b>(4.65)</b>	<b>(12.79)</b>	<b>12.79</b>	

### 41 Utilisation of Issue Proceeds

There has been no deviation in the utilisation of issue proceeds of publically issued secured redeemable NCD, from the Objects as stated in the Tranche I and Tranche II document dated May 16, 2018 and November 12, 2018 respectively.

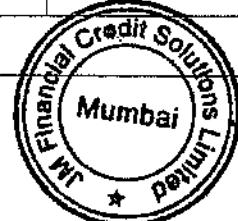
### 42 Employee Stock Option Scheme:

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

May 06, 2013	339,099 Stock Options
April 01, 2014	518,394 Stock Options
April 12, 2019	88,233 Stock Options

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

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (In Rupees)
12 <sup>th</sup> April 2019	Series - XI	29,411	Unvested	Seven years from the date of Grant	1
12 <sup>th</sup> April 2020	Series - XI	29,411	Unvested	Seven years from the date of Grant	1
12 <sup>th</sup> April 2021	Series - XI	29,411	Unvested	Seven years from the date of Grant	1



## JM FINANCIAL CREDIT SOLUTIONS LIMITED

**JM FINANCIAL**

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

<b>Particulars</b>	<b>Number of outstanding options</b>	
	<b>Current year</b>	<b>Previous year</b>
Outstanding at the beginning of the year	-	1,66,397
Granted during the year	88,233	-
Exercised during the year	-	1,66,397
Outstanding at the end of the year	88,233	-
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense aggregating Rs.0.68 crore (Previous year nil). Since the options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

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

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

(In Rs Crore)

<b>Name of the company</b>	<b>Relationship</b>	<b>Maximum Balance</b>	<b>Closing Balance</b>
Infinite India Investment Management Limited	Fellow Subsidiary	100.00	-
JM Financial Asset Reconstruction Company Limited	Fellow Subsidiary	100.00	(-)
JM Financial Commtrade Limited	Fellow Subsidiary	(-)	(-)
CR Retail Malls (India) Limited	Fellow Subsidiary	(42.00)	(-)
		(25.00)	(-)

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

(Figures in brackets indicates previous year figures)

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

- (a) Gross amount required to be spent by the company during the year – Rs 8.42 crore (Previous year Rs. 5.39 crore)  
 (b) Amount spent and paid during the year by way of donation to charitable trusts – Rs 8.42 crore (Previous year Rs.5.41 crore) for purposes other than Construction/acquisition of any assets.

- 45 The Company operates only in one Operating Segment i.e Mortgage Loans - Financial Services and all other activities are incidental to the main business activity, hence has only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM.

The Company has its operations within India and all revenue is generated within India



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**



**46 Unhedged Foreign Currency Exposure**

(In Rs Crore)

Particulars	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	</=1 Year	>1 Year	Total	</=1 Year	> Year	Total	
<b>FCY Receivables</b>							
Loans to JV/WOS	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>FCY Payables</b>							
Imports	-	-	-	-	-	-	-
Trade Credits	-	-	-	-	-	-	-
ECBs	-	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-

#Note: Covered Option(s) is/are not included

**47 EXPENDITURE IN FOREIGN CURRENCY**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Travelling expenses	0.13	0.11
<b>Total</b>	<b>0.13</b>	<b>0.11</b>



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**48 Disclosures as per RBI master directions and other notifications.**
**48.1 Information pursuant to RBI Guidelines on Securitisation of standard assets dated February 1, 2008**

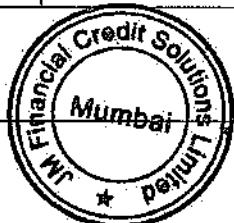
Sr No	Particulars	As at 31.03.2019	As at 31.03.2018
(i)	Total Number of transactions wherein Loan assets securitized	-	-
(ii)	Total book value of loan assets securitised – Rupees	-	-
(iii)	Total sales consideration received for the securitised assets – Rupees	-	-
(iv)	Gain on sale on account of securitisation – Rupees	-	-
(v)	Gain recognized in the Statement of Profit and Loss – Rupees	-	-
(vi)	Outstanding value of any services provided by way of credit enhancement, liquid support, post -securitisation asset servicing etc.	-	-
		-	-

**48.2 Information pursuant to RBI Guidelines on Capital adequacy, liquidity and disclosure norms dated August 1, 2008 :-**
**(i) Capital risk adequacy ratio (CRAR):**

Particulars	As at 31.03.2019	As at 31.03.2018
CRAR	34.26%	22.44%
CRAR - Tier I capital	33.57%	22.07%
CRAR - Tier II capital	0.69%	0.37%
Amount of subordinated debt raised as Tier-II capital	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

**(ii) Exposures:**
**A. Exposure to Real Estate Sector**

	Category	As at	As at
		31.03.2019 (In Rs Crore)	31.03.2018 (In Rs Crore)
a)	<b>Direct Exposure</b>		
(i)	<b>Residential Mortgages-</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lacs may be shown separately)		
(ii)	<b>Commercial Real Estate-</b> Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	8,091.10	7,125.63
(iii)	<b>Investments in Mortgage Backed Securities (MBS) and other securitised exposures-</b> a) Residential, b) Commercial Real Estate.		



**B. Exposures to Capital Market**

	Category	As at 31.03.2019	As at 31.03.2018
		(In Rs Crore)	(In Rs Crore)
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total exposure to Capital Market</b>		-	-





JM FINANCIAL CREDIT SOLUTIONS LIMITED

### iii. Asset Liability Management:

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

(In Rs Crore)

# Denotes amount below Rs.50,000/-

#### Notes:

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



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**



**48.3 Schedule to the Balance Sheet (as required in terms of Paragraph 18 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016**

<b>(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>			
<b>Particulars</b>			
	<b>Liabilities side</b>	<b>Amount outstanding (In Rs Crore)</b>	<b>Amount overdue (In Rs Crore)</b>
(a)	Debentures (i) Secured	2,723.65 (2,250.36)	- (-)
	(ii) Unsecured (other than falling within the meaning of public deposits)	-	-
(b)	Deferred Credits	(-)	(-)
(c)	Term Loans	2,220.18 (2,570.63)	- (-)
(d)	Inter-corporate loans and borrowing	-	-
(e)	Commercial Paper	524.91 (786.57)	- (-)
(f)	Other Loans (Please Specify) Working Capital Loan	-	-
	Cash Credits	(-) 136.23 (53.80)	(-) - (-)
	Due under finance lease	0.02 (0.05)	- (-)

<b>(2) Break up of Loans and Advances including bills receivables (other than those included in (3) below):</b>		
<b>Particulars</b>		
	<b>Assets side</b>	<b>Amount outstanding (In Rs Crore)</b>
(a)	Secured	8,091.10 (7,125.63)
(b)	Unsecured	- (125.00)

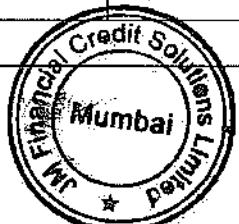


**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

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

<b>(4) Break – up of Investments:</b>		
	<b>Particulars</b>	<b>Amount outstanding (In Rs Crore)</b>
	Current Investment	
1. Quoted:		
(i) Shares:		
(a) Equity		
(b) Preference		
(ii) Debentures and Bonds		(-)
(iii) Units of Mutual Funds		270.29
(iv) Government Securities		(-)
(v) Others (Please Specify)		(-)
2. Unquoted:		
(i) Shares:		0#
(a) Equity		
(b) Preference		
(ii) Debentures and Bonds		25.00
(iii) Units of Mutual Funds		(-)
(iv) Government Securities		(-)
(v) Others (Please Specify)		(-)

# Denotes amount less than Rs.50,000/-



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

<b>(5) Borrower group – wise classification of assets financed as in (2) and (3) above:</b>				
		<b>Amount (net of provisions)</b>		
	<b>Category</b>	<b>Secured (In Rs Crore)</b>	<b>Unsecured (In Rs Crore)</b>	<b>Total (In Rs Crore)</b>
1)	Related Parties	-	-	-
	(a) Subsidiaries	(-)	(-)	(-)
	(b) Companies in the same group	-	-	-
	(c) Other related parties	(-)	(-)	(-)
2)	Other than related parties	8,091.10 (7,125.63)	- (125.00)	8,091.10 (7,250.63)
		8,091.10 (7,125.63)	- (125.00)	8,091.10 (7,250.63)
	Less: Provision for non-performing assets	16.44 (7.58)	- (-)	16.44 (7.58)
		8,074.66 (7,118.05)	- (125.00)	8,074.66 (7,243.05)

<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>			
	<b>Category</b>	<b>Market Value/ Breakup or fair value or NAV (In Rs Crore)</b>	<b>Book Value (Net of Provisions) (In Rs Crore)</b>
1)	Related Parties	-	-
	(a) Subsidiaries	-	(-)
	(b) Companies in the same group	-	-
	(c) Other related parties	-	(-)
2)	Other than related parties	295.29 (-)	295.00 (-)
		295.29 (-)	295.00 (-)



(7) Other Information:		Amount (In Rupees)
Particulars		
(i) Gross Non – Performing Assets	(a) Related Parties	-
	(b) Other than related parties	(-) 85.07
(ii) Net Non – Performing Assets	(a) Related Parties	(75.80)
	(b) Other than related parties	- (-) 68.63
(iii) Assets acquired in satisfaction of debt		(68.22) - (-)

(Figures in brackets indicates previous year figures)

48.4 There are no restructured advances as on March 31, 2019, Hence disclosure of information as required in terms of Paragraph 24 of Master Directions -- Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 (as amended vide Notification No. DNBS(PD):No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

#### 48.5 Investments

	Particulars	As at 31.03.2019 (In Rs Crore)	As at 31.03.2018 (In Rs Crore)
(a) Value of Investments			
(i) Gross Value of Investments			
(a) in India		295.29	-
(b) Outside India		-	-
(ii) Provision for depreciation			
(a) in India*		-	-
(b) Outside India		-	-
(iii) Net Value of Investments			
(a) in India		295.29	-
(b) Outside India		-	-
(b) Movement of provisions held towards depreciation on investments			
(i) Opening balances		-	-
(ii) Add : Provisions made during the year		-	-
(iii) Less : Write-off / write-back of excess provisions during the year		-	-
(iv) Closing balance		-	-



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**48.6 Additional & Miscellaneous Disclosures:**
**(I) Registration obtained from other financial sector regulators**

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

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

Particulars	As at 31.03.2019 (In Rs Crore)	As at 31.03.2018 (In Rs Crore)
Penalties imposed	Nil	Nil

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

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

**(IV) Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties**
**(V) Premium utilised for share issue expenses**

Particulars	As at 31.03.2019 (In Rs Crore)	As at 31.03.2018 (In Rs Crore)
Premium utilised for share issue expenses	0.55	Nil

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

		As at 31.03.2019	As at 31.03.2018
	<b>ICRA Limited</b>		
(i)	Commercial Paper programme	[ICRA]A1+	[ICRA]A1+
(ii)	Bank loan facility	[ICRA]AA/Stable	[ICRA]AA/Stable
(iii)	Non-Convertible Debentures	[ICRA]AA/Stable	[ICRA]AA/Stable
	<b>CRISIL Limited</b>		
(i)	Commercial Paper programme	CRISIL A1+	CRISIL A1+
(ii)	Bank loan facility	CRISIL AA/stable	CRISIL AA/stable
(iii)	Non-Convertible Debentures	CRISIL AA/stable	CRISIL AA/stable
	<b>India Rating</b>		
(i)	Commercial Paper programme	IND A1+	IND A1+
(ii)	Bank loan facility	IND AA/Stable	IND AA/Stable
(iii)	Non-Convertible Debentures	IND AA/Stable	IND AA/Stable



## JM FINANCIAL CREDIT SOLUTIONS LIMITED



### 48.8 Provisions and Contingencies

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

	For the year 31.03.2019 (In Rs Crore)	For the year 31.03.2018 (In Rs Crore)
Provisions for depreciation on Investment	-	-
Provision towards NPA / ECL stage 3	8.86	7.58
Provision made towards Income tax.	224.16	179.22
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets / ECL stage 1 and 2	7.13	11.62

### 48.9 Concentration of Deposits, Advances and Exposures and NPAs:

#### Concentration of Deposits (for deposit taking NBFCs)

	As at 31.03.2019	As at 31.03.2018
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA

#### Concentration of Advances

	As at 31.03.2019	As at 31.03.2018
Total Advances to twenty largest borrowers – (In Rs Crore)	3,411.50	2,809.39
Percentage of Advances to twenty largest borrowers to total Advances of the NBFC	42.49%	38.78%

#### Concentration of Exposures

	As at 31.03.2019	As at 31.03.2018
Total Exposure to twenty largest borrowers / customers – (In Rs Crore)	3,442.46	2,811.42
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers	42.55%	38.77%

#### Concentration of NPAs

	As at 31.03.2019	As at 31.03.2018
Total exposure to top four NPA accounts	85.07	75.80

#### Sector-wise NPAs

	As at 31.03.2019	As at 31.03.2018
Agriculture & allied activities	Nil	Nil
MSME	Nil	Nil
Corporate borrowers	85.07	75.80
Services	Nil	Nil
Unsecured personal loans	Nil	Nil
Auto loans	Nil	Nil
Other personal loans	Nil	Nil
Other loans	Nil	Nil



**48.10 Movement of NPAs:**

	As at 31.03.2019	As at 31.03.2018
<b>Net NPAs to Net Advances (%)</b>		
<b>Movement of NPAs (Gross)</b>		
(a) Opening balance	75.80	-
(b) Additions during the year	9.27	75.80
(c) Reductions during the year	-	-
(d) Closing balance	85.07	75.80
<b>Movement of Net NPAs</b>		
(a) Opening balance	68.22	-
(b) Additions during the year	0.41	68.22
(c) Reductions during the year	-	-
(d) Closing balance	68.63	68.22
<b>Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	7.58	-
(b) Provisions made during the year	8.86	7.58
(c) Write-off / write-back of excess provisions	-	-
(d) Closing balance	16.44	7.58

**48.11 Disclosures of Complaints**
**Complaints**

Particulars	As at 31.03.2019	As at 31.03.2018
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	56	-
No. of complaints redressed during the year	56	-
No. of complaints pending at the end of the year	-	-



## JM FINANCIAL CREDIT SOLUTIONS LIMITED

48.12 Disclosure in respect of derivatives, securitisation transactions, consolidated financial statements, overseas assets (for those with joint ventures and subsidiaries abroad), off balance sheet SPV's sponsored are not applicable for the year to the Company since there is no exposure.

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For and on behalf of the Board of Directors



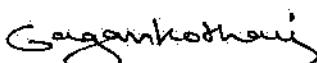
Hariharan Aiyar  
Vice Chairman  
DIN - 01374306



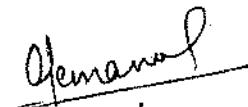
V.P. Shetty  
Non-Executive Director  
DIN - 00021773



Shashwat Belapurkar  
Chief Executive Officer



Gagan Kothari  
Chief Financial Officer



Hemant Pandya  
Company Secretary

Place: Mumbai

Date: April 30, 2019



## AUDITORS' REPORT FOR NON DEPOSIT TAKING NBFCs

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

Dear Sirs,

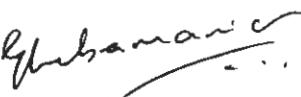
As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ('the Directions') issued by Reserve Bank of India and on the basis of our audit of the books of account and other records of **JM Financial Credit Solutions Limited** ("the Company") for the year ended 31<sup>st</sup> March, 2018 in accordance with the Generally Accepted Auditing Standards and according to the information, explanations and representations given to us by the Management, we report as follows in terms of paragraphs 3 and 4 of the Directions:

1. The Company is engaged in the business of Non- Banking Financial Institution as defined in Section 45 I (a) of the Reserve Bank of India Act, 1934 and has obtained Certificate of Registration (CoR) bearing No. B-13.01681 dated 27<sup>th</sup> August, 2003 from the Reserve Bank of India ("the RBI").
2. The Company is entitled to continue to hold the CoR based on its asset/ income pattern as on 31<sup>st</sup> March, 2018, which has been computed in the manner laid down in the RBI Circular No. DNBS (PD) C.C. NO. 81 / 03.05.002 /2006-07 dated 19<sup>th</sup> October, 2006.
3. The Company is meeting the requirement of net owned fund as laid down in Master Direction- Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
4. The Board of Directors has passed a resolution on 27<sup>th</sup> April, 2017 for non-acceptance of public deposits.
5. The Company has not accepted any public deposit during the year.
6. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.



7. The Capital Adequacy Ratio (CRAR) of the Company as on 31<sup>st</sup> March, 2018 has been correctly computed. The said ratio is in compliance with the minimum CRAR of 15% as prescribed by the RBI.
8. The Company has submitted the annual statement of capital funds, risk assets/ exposures and risk asset ratio (NBS-7) as on 31<sup>st</sup> March, 2017 to the RBI on 21<sup>st</sup> June, 2017, which is within the stipulated period. NBS-7 as on 31<sup>st</sup> March, 2018, due for submission on or before 30<sup>th</sup> June, 2018, is pending submission.

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



**G. K. Subramanian**  
Partner  
(Membership No. 109839)

**Mumbai**, 30<sup>th</sup> April, 2018.

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

### Report on the Financial Statements

We have audited the accompanying financial statements of **JM Financial Credit Solutions Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment,

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

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit and its cash flows for the year ended on that date.

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

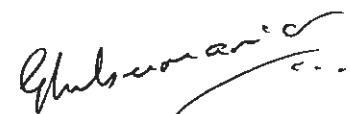
1. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigation, as at 31<sup>st</sup> March, 2018 which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts, as at 31<sup>st</sup> March, 2018 for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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



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

**Mumbai**, 30<sup>th</sup> April, 2018.

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act.**

We have audited the internal financial controls over financial reporting of **JM Financial Credit Solutions Limited** ("the Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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



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

Mumbai, 30<sup>th</sup> April, 2018

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

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

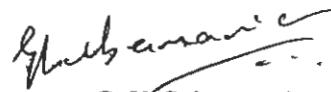
- (i) In respect of its fixed assets:
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which:
- a) The terms and conditions of the grant of such loan is, in our opinion, *prima facie*, not prejudicial to the Company's interest.
  - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) The Company being Non-Banking Finance Company and does not have any investment, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues where applicable, to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.
  - (b) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on 31st March 2018 on account of disputes.

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- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company does not have loans or borrowings from Government.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration to the managerial personnel hence the requirement of provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into non-cash transactions with its directors or persons connected with the directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) In our opinion and according to the information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

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

**Mumbai, 30<sup>th</sup> April, 2018.**



**JM FINANCIAL CREDIT SOLUTIONS  
LIMITED**

**Financial Statements**

**Financial Year 2017 - 2018**

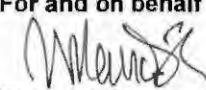
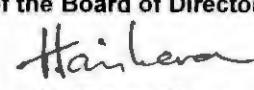
**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**BALANCE SHEET AS AT MARCH 31, 2018**

		Note No.	As at 31.03.2018 (In Rs Crore)	As at 31.03.2017 (In Rs Crore)
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	Share capital	2	2.50	2.50
	Reserves and surplus	3	1,739.06	1,410.77
			<b>1,741.56</b>	<b>1,413.27</b>
2	<b>Non-current liabilities</b>			
	Long-term borrowings	4	3,613.32	2,567.57
	Other long-term liabilities	5	45.65	23.78
	Long-term provisions	6	29.72	20.23
			<b>3,688.69</b>	<b>2,611.58</b>
3	<b>Current liabilities</b>			
	Short-term borrowings	7	840.37	852.52
	Trade payables:			
	Due to micro, small and medium enterprises	8	-	-
	Others		2.85	1.96
	Other current liabilities	9	1,197.84	811.47
	Short-term provisions	10	9.86	0.33
			<b>2,050.92</b>	<b>1,666.28</b>
			<b>7,481.17</b>	<b>5,691.13</b>
<b>II.</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	Property, plant and equipment	11	0.38	0.49
	Intangible assets	11	0.29	0.35
	Deferred tax assets (net)	12	15.85	12.38
	Long-term loans and advances	13	4,833.67	3,878.10
			<b>4,850.19</b>	<b>3,891.32</b>
2	<b>Current assets</b>			
	Cash and cash equivalents	14	118.34	1.70
	Short-term loans and advances	15	2,512.64	1,798.11
			<b>2,630.98</b>	<b>1,799.81</b>
			<b>7,481.17</b>	<b>5,691.13</b>
Significant accounting policies and notes to financial statements		1 to 45		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Registration No. 117366WW-100018

For and on behalf of the Board of Directors

Vikram Pandit

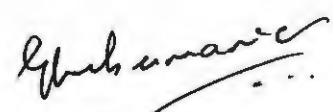
Chairman

DIN - 07062676

Hariharan Aiyar

Vice Chairman

DIN - 01374306

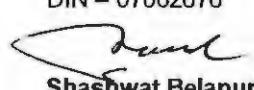
  
G. K. Subramaniam

Partner

Membership No. 109839

Place: Mumbai

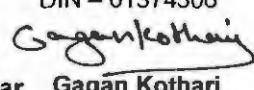
Date: April 30, 2018

 Shashwat Belapurkar

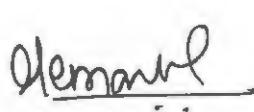
Chief Executive Officer

Place: Mumbai

Date: April 30, 2018

 Gagan Kothari

Chief Financial Officer

 Hemant Pandya  
Company Secretary


**JM FINANCIAL**  
**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

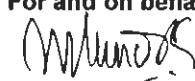
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

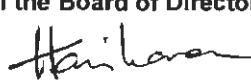
		Note No.	For the year ended 31.03.2018 (In Rs Crore)	For the year ended 31.03.2017 (In Rs Crore)
<b>I.</b>	<b>Income:</b>			
(a)	Revenue from operations	16	957.97	786.85
(b)	Other income	17	1.96	1.51
	<b>Total Revenue</b>		<b>959.93</b>	<b>788.36</b>
<b>II.</b>	<b>Expenses:</b>			
(a)	Employee benefits expense	18	23.56	22.15
(b)	Finance costs	19	391.66	312.26
(c)	Provision for loans	20	16.79	7.60
(d)	Depreciation and amortization expense	11	0.23	0.21
(e)	Operating and other expenses	21	23.65	21.36
	<b>Total expenses</b>		<b>455.89</b>	<b>363.58</b>
<b>III.</b>	Profit before Tax		<b>504.04</b>	<b>424.78</b>
<b>IV</b>	<b>Less: Tax expense</b>			
	Current tax		179.22	152.36
	Deferred tax		(3.47)	(4.83)
			<b>175.75</b>	<b>147.53</b>
<b>V</b>	<b>Profit for the year</b>		<b>328.29</b>	<b>277.25</b>
<b>VI</b>	<b>Earning Per Equity Share</b> (Face value of Rs. 10/- each)	27		
	Basic		1,381.93	1,952.70
	Diluted		1,381.93	1,906.77
Significant accounting policies and notes to financial statements		1 to 45		

In terms of our report attached

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

For and on behalf of the Board of Directors

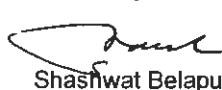
  
**Vikram Pandit**

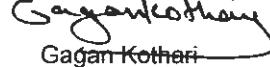
  
**Hariharan Aiyar**

Chairman  
 DIN – 07062676

Vice Chairman  
 DIN – 01374306

  
**G. K. Subramaniam**  
 Partner  
 Membership No. 109839  
 Place: Mumbai  
 Date: April 30, 2018

  
**Shashwat Belapurkar**  
 Chief Executive Officer  
**Place: Mumbai**  
 Date: April 30, 2018

  
**Gagan Kothari**  
 Chief Financial Officer

  
**Hemant Pandya**  
 Company Secretary

## 1. Significant Accounting Policies

### 1. Basis of preparation of financial statements

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, as applicable and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable and the circulars and guidance issued by Reserve Bank of India from time to time. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in preparation of financial statements are consistent with those followed in previous year.

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

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

### 3. Use of estimates

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

### 4. Property, Plant and Equipment

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

#### Depreciation

Depreciation on Property, Plant and Equipment is provided on the straight line method at the following rates:

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

Assets costing less than Rs. 5,000/- are fully depreciated in the year of purchase.  
 Assets taken on finance lease are depreciated over a period of lease.

#### Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. Softwares are amortized over a period of five years, on a straight line basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

**5. Impairment of assets**

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

**6. Investments**

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

**7. Revenue recognition**

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

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

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

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

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

All loans and other credit exposures, where the installments are overdue for a period of three months or more are classified as NPA. Provision is made in respect of NPA and SA in accordance with the stipulations of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" by the Reserve Bank of India (RBI). Additional provisions, if any, (over and above the provisioning requirements under the Directions as specified by RBI) are made as per directions of the Board of Directors.

**9. Employee Retirement Benefits****(a) Post Employment Benefits and Other Long Term Benefits:****Defined Contribution Plan:**

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

**Defined Benefit Plans:**

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

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

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

**10. Borrowing costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period they occur.

**11. Taxes on income**

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

**12. Earnings per Equity share**

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

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

**13. Provisions and contingencies**

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

**2. SHARE CAPITAL**
**(In Rs Crore)**

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
<b>Authorised</b>		
30,00,000 Equity shares of Rs 10/- each	3.00	3.00
20,00,000 Preference shares of Rs 10/- each	2.00	2.00
	<b>5.00</b>	<b>5.00</b>
<b>Issued, Subscribed and Paid-up</b>		
24,99,500 (P.Y 24,65,296) Equity shares of Rs 10/- each fully paid-up	2.50	2.47
Nil (P.Y 34,204) Compulsory convertible preference shares of Rs 10/- each fully paid-up	-	0.03
<b>Total</b>	<b>2.50</b>	<b>2.50</b>

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

	<b>As at 31.03.2018</b>		<b>As at 31.03.2017</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
Shares outstanding at the beginning of the year	<b>24,65,296</b>	<b>2.47</b>	12,50,004	1.25
Shares issued during the year pursuant to conversion	34,204	0.03	12,15,292	1.22
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>24,99,500</b>	<b>2.50</b>	<b>24,65,296</b>	<b>2.47</b>

**Compulsory Convertible Preference Shares**

	<b>As at 31.03.2018</b>		<b>As at 31.03.2017</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
Shares outstanding at the beginning of the year	<b>34,204</b>	<b>0.03</b>	12,49,496	1.25
Shares issued during the year	-	-	-	-
Shares converted into equity shares	(34,204)	(0.03)	(12,15,292)	(1.22)
<b>Shares outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>34,204</b>	<b>0.03</b>

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

	<b>As at 31.03.2018</b>		<b>As at 31.03.2017</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
<b>Equity Shares :</b>				
JM Financial Limited along with its nominees INH Mauritius 1	12,50,000 12,15,296	50.01% 48.62%	12,50,000 12,15,296	50.70% 49.30%



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

**Equity Shares:**

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

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

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

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

**Voting rights:**

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

**Dividend:**

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

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

**Terms of Preference shares:**

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

**NOTES TO THE FINANCIAL STATEMENTS**
**3 RESERVES AND SURPLUS**
**(In Rs Crore)**

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
<b>a. Securities Premium Reserve</b>		
Balance as per last Balance Sheet	881.16	881.16
<b>b. General Reserve</b>		
Balance as per last Balance Sheet	0.17	0.17
<b>c. Statutory Reserve</b>		
Opening balance	105.43	49.98
(+) Transferred during the year	65.66	55.45
<b>Closing balance</b>	<b>171.09</b>	<b>105.43</b>
<b>d .Surplus in Statement of Profit and Loss:</b>		
Opening balance	424.01	202.21
(+) Profit for the year	328.29	277.25
	<b>752.30</b>	<b>479.46</b>
(-) Appropriations		
Transferred to statutory reserve	65.66	55.45
<b>Closing balance</b>	<b>686.64</b>	<b>424.01</b>
<b>Total</b>	<b>1,739.06</b>	<b>1,410.77</b>

**4 LONG-TERM BORROWINGS**
**(In Rs Crore)**

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
<b>Secured</b>		
Term loan (refer note 4.1)		
- From Banks	2,438.81	1,871.06
- From other parties	125.00	-
Less: Current maturities of term loans	(652.08)	(358.14)
	<b>1,911.73</b>	<b>1,512.92</b>
Non-convertible debentures (refer note 4.2 and 4.3)		
Premium received on issue	2,144.20	1,414.60
Less: Current maturities of Non-convertible debentures	0.37	-
	(443.00)	(360.00)
	<b>1,701.57</b>	<b>1,054.60</b>
Finance lease obligations		
Less: Current maturities of Finance Lease Obligations(refer note 4.4)	0.05	0.09
	(0.03)	(0.04)
	<b>0.02</b>	<b>0.05</b>
	<b>3,613.32</b>	<b>2,567.57</b>

**4.1 Term loans:**

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

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

(In Rs Crore)

Residual Maturities	Non-Current					
	As on March 31, 2018			As on March 31, 2017		
	1-3 years (April 2018 to March 2021)	3 years & above (April 2021 onwards)	Total	1-3 years (April 2017 to March 2020)	3 years & above (April 2020 onwards)	Total
<b>Rate of interest*</b>						
8.00 % to 9.00%	1,661.73	175.00	1,836.73	910.99	320.00	1,230.99
9.00 % to 10.00%	75.00	-	75.00	139.42	7.50	146.92
10.01% to 11.00%	-	-	-	135.01	-	135.01
<b>Total</b>	<b>1,736.73</b>	<b>175.00</b>	<b>1,911.73</b>	<b>1,185.42</b>	<b>327.50</b>	<b>1,512.92</b>

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

#### 4.2 Non-Convertible Debentures:

Non-convertible debentures aggregating Rs.2,144.20 crore (Previous year Rs.1,414.60 crore) are secured by way of first charge on freehold land (proportionately) and hypothecation on pool of certain loan fund balances of the Company.

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

Particulars	Non-Current		Current		(In Rs Crore)
	Current year	Previous year	Current year	Previous year	
0% NCD redeemable in year 2017-18*	-	-	-	-	50.00
10.1674 % NCD redeemable in year 2017-18	-	-	-	-	75.00
10.1687 % NCD redeemable in year 2017-18	-	-	-	-	100.00
10.5 % NCD redeemable in year 2017-18	-	-	-	-	60.00
9.9756 % NCD redeemable in year 2017-18	-	-	-	-	75.00
0% NCD redeemable in year 2018-19*	-	3.00	3.00	-	-
10.2609 % NCD redeemable in year 2018-19	-	300.00	300.00	-	-
10.2946 % NCD redeemable in year 2018-19	-	100.00	100.00	-	-
9.7307 % NCD redeemable in year 2018-19	-	40.00	40.00	-	-
9.3133 % NCD redeemable in year 2019-20	200.00	-	-	-	-
0% NCD redeemable in year 2019-20*	143.10	143.10	-	-	-
8.75 % NCD redeemable in year 2019-20	125.00	-	-	-	-
9.3037 % NCD redeemable in year 2019-20	125.00	-	-	-	-
10.5 % NCD redeemable in year 2019-20	50.00	50.00	-	-	-
9.7 % NCD redeemable in year 2019-20	100.00	100.00	-	-	-
9.25 % NCD redeemable in year 2019-20	50.00	50.00	-	-	-
9.69 % NCD redeemable in year 2019-20	100.00	100.00	-	-	-
9.7665 % NCD redeemable in year 2019-20	10.00	10.00	-	-	-
9.78 % NCD redeemable in year 2019-20	7.50	7.50	-	-	-
0 % NCD redeemable in year 2020-21*	91.00	16.00	-	-	-
9.15 % NCD redeemable in year 2020-21	67.90	-	-	-	-
9.3606 % NCD redeemable in year 2020-21	42.80	-	-	-	-
9.05 % NCD redeemable in year 2020-21	30.00	-	-	-	-
0 % NCD redeemable in year 2021-22*	248.90	-	-	-	-
9.05 % NCD redeemable in year 2021-22	175.00	-	-	-	-
9.00 % NCD redeemable in year 2021-22	10.00	10.00	-	-	-
9.20 % NCD redeemable in year 2021-22	70.00	70.00	-	-	-
9.50 % NCD redeemable in year 2021-22	25.00	25.00	-	-	-
9.70 % NCD redeemable in year 2021-22	30.00	30.00	-	-	-
	<b>1,701.20</b>	<b>1,054.60</b>	<b>443.00</b>	<b>360.00</b>	

\* Redeemable at premium

Note: Above excludes premium amounting to Rs.0.37 crore received on issue of Non-Convertible Debentures.

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

## JM FINANCIAL CREDIT SOLUTIONS LIMITED



### 5 OTHER LONG-TERM LIABILITIES

(In Rs Crore)

	As at 31.03.2018	As at 31.03.2017
Employee benefits payable	12.28	11.79
Interest accrued but not due	33.37	11.99
	<b>45.65</b>	<b>23.78</b>

### 6 LONG-TERM PROVISIONS

(In Rs Crore)

	As at 31.03.2018	As at 31.03.2017
For Standard assets (refer note 6.1)	29.10	19.89
For employee benefits: Gratuity (refer note 24)	0.62	0.34
	<b>29.72</b>	<b>20.23</b>

6.1 To ensure that Non-Banking Financial Companies (NBFC) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a notification No. DNBS 222 / CGM (US)-2011 dated January 17, 2011 as amended on timely basis, requiring all NBFCs to make a general provision of 0.40 per cent (Previous year 0.35 per cent) of outstanding standard assets. The Company has created provision for standard assets, which is sufficient to comply with the aforesaid RBI Notification.

### 7 SHORT-TERM BORROWINGS

(In Rs Crore)

	As at 31.03.2018	As at 31.03.2017
<b>Secured</b>		
<b>Loans repayable on demand</b>		
<b>From banks</b>		
Cash credit facilities (refer note 7.1)	53.80	66.07
<b>Unsecured</b>		
<b>Other loans and advances</b>		
Commercial paper (refer note 7.2 and note 7.3)	815.00	810.00
Less: Unamortised interest on commercial paper	(28.43)	(23.55)
	<b>786.57</b>	<b>786.45</b>
	<b>840.37</b>	<b>852.52</b>

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

7.2 The maximum amount of commercial paper outstanding at any time during the year was Rs.955.00 crore (Previous year Rs.810.00 crore).

7.3 Interest rate of commercial paper range from 6.78% to 8.90% p.a (previous year 7.35 % to 8.25% p.a).

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

There are no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	As at 31.03.2018	As at 31.03.2017	(In Rs Crore)
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	
(iv) The amount of interest due and payable for the year	-	-	
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	

**9 OTHER CURRENT LIABILITIES**

(In Rs Crore)

	As at 31.03.2018	As at 31.03.2017
<b>Current maturities of long term borrowings:</b>		
-Term Loan from Bank and other parties (Refer note 4.1)	652.08	358.14
-Non-Convertible Debentures (Refer note 4.2 and 4.3)	443.00	360.00
	<b>1,095.08</b>	<b>718.14</b>
Finance lease obligations (Refer note 9.1 and 26)	0.03	0.04
Statutory dues	5.32	1.19
Interest accrued but not due	84.24	81.49
Employee benefits payable	13.17	10.61
	<b>1,197.84</b>	<b>811.47</b>

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

**10 SHORT-TERM PROVISIONS**

(In Rs Crore)

	As at 31.03.2018	As at 31.03.2017
Provision for tax (net)	1.78	-
Provision for non-performing assets	7.58	-
For employee benefits:		
-Gratuity (Refer note 24)	0.04	0.02
-Compensated absences	0.46	0.31
	<b>9.86</b>	<b>0.33</b>



**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**11 PROPERTY, PLANT AND EQUIPMENT FOR THE CURRENT YEAR**
**(In Rs Crore)**

<b>Description</b>	<b>GROSS BLOCK</b>			<b>DEPRECIATION/AMORTISATION</b>			<b>NET BLOCK</b>
	<b>As at 31.03.2017</b>	<b>Additions for the year</b>	<b>As at 31.03.2018</b>	<b>Up to 31.03.2017</b>	<b>Additions for the year</b>	<b>Up to 31.03.2018</b>	
<b>PROPERTY, PLANT AND EQUIPMENT</b>							
<b>Owned Assets:</b>							
Freehold land	0.05	-	0.05	-	-	-	0.05
Computers	0.28	0.05	0.33	0.11	0.09	0.20	0.13
Furniture and fixtures	0.06	-	0.06	0.01	#	0.01	0.05
Office Equipment	0.02	#	0.02	0.01	#	0.01	0.01
Leasehold improvements	0.15	-	0.15	0.02	0.03	0.05	0.10
<b>Leased Assets:</b>							
Vehicles	0.18	-	0.18	0.10	0.04	0.14	0.04
<b>Total</b>	<b>0.74</b>	<b>0.05</b>	<b>0.79</b>	<b>0.25</b>	<b>0.16</b>	<b>0.41</b>	<b>0.38</b>
<b>INTANGIBLE ASSETS:</b>							
Software (Purchased)	0.41	0.01	0.42	0.06	0.07	0.13	0.29
<b>Grand total</b>	<b>1.15</b>	<b>0.06</b>	<b>1.21</b>	<b>0.31</b>	<b>0.23</b>	<b>0.54</b>	<b>0.67</b>

# Denotes amount below Rs.50,000/-

### JM FINANCIAL CREDIT SOLUTIONS LIMITED

#### PLANT AND EQUIPMENT FOR THE PREVIOUS YEAR

	GROSS BLOCK		Up to 31.03.2016	Additions for the year	Up to 31.03.2017	Additions for the year	DEPRECIATION/AMORTISATION	Up to 31.03.2017	NET BLOCK As at 31.03.2017
	As at 31.03.2016	Additions for the year							
<b>PLANT AND EQUIPMENT</b>									
Fixtures and fittings	0.05	-	0.05	-	-	-	-	-	-
Fixtures and fittings	0.13	0.15	0.28	0.05	0.06	0.06	0.11	0.11	0.01
Fixtures and fittings	0.04	0.02	0.06	#	0.01	0.01	0.01	0.01	0.01
Fixtures and fittings	0.01	0.01	0.02	#	0.01	0.01	0.01	0.01	0.01
Fixtures and fittings	-	0.15	0.15	-	-	0.02	0.02	0.02	0.02
Fixtures and fittings	0.09	0.09	0.18	0.05	0.05	0.05	0.10	0.10	0.10
Fixtures and fittings	0.32	0.42	0.74	0.10	0.15	0.15	0.25	0.25	0.25
<b>ASSETS:</b> (purchased)	0.09	0.32	0.41	#	0.06	0.06	0.06	0.06	0.06
<b>ASSETS:</b> (purchased)	<b>0.41</b>	<b>0.74</b>	<b>1.15</b>	<b>0.10</b>	<b>0.21</b>	<b>0.21</b>	<b>0.31</b>	<b>0.31</b>	<b>0.31</b>

Amount below Rs.50,000/-

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**



**12 DEFERRED TAX ASSETS (NET)**

(In Rs Crore)

	As at 31.03.2018	As at 31.03.2017
Provision for standard assets	10.07	6.88
Disallowances under section 43B of the Income Tax Act, 1961	5.78	5.46
Share issue expense	0.07	0.13
Difference between books and tax written down value of fixed assets	(0.07)	(0.09)
	<b>15.85</b>	<b>12.38</b>

**13 LONG-TERM LOANS AND ADVANCES**

(In Rs Crore)

	As at 31.03.2018	As at 31.03.2017
<b>(Unsecured unless otherwise stated and considered good)</b>		
<b>Loan Funds:</b>		
Secured*	4,732.77	3,875.33
Unsecured	100.00	-
Capital advances	0.01	-
Advance tax (net of provisions)	0.83	1.28
Security deposits	0.06	1.49
	<b>4,833.67</b>	<b>3,878.10</b>

\*includes loan funds of Rs.95.00 crore (previous year Nil) in the form of Non-convertible debentures.

**14 CASH AND CASH EQUIVALENTS**

(In Rs Crore)

	As at 31.03.2018	As at 31.03.2017
<b>Cash and cash equivalents</b>		
Cash in hand	-	#
Balances with banks		
- in current accounts	68.34	1.70
- in deposit accounts	50.00	-
	<b>118.34</b>	<b>1.70</b>

# Denotes amount below Rs.50,000/-

**15 SHORT-TERM LOANS AND ADVANCES**

(In Rs Crore)

	As at 31.03.2018	As at 31.03.2017
<b>Unsecured, unless otherwise stated and considered good</b>		
Loan funds (Secured)	2,481.11	1,760.62
Loan funds (Unsecured)	25.00	22.20
Income accrued and due	6.06	14.76
Prepaid expenses	0.33	0.22
Other advances	0.14	0.31
	<b>2,512.64</b>	<b>1,798.11</b>

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**16 REVENUE FROM OPERATIONS**

(In Rs Crore)

	<b>For the year ended 31.03.2018</b>	<b>For the year ended 31.03.2017</b>
<b>Income from funding activities</b>		
Interest on loans	869.75	707.74
Processing and prepayment fees	88.22	79.11
	<b>957.97</b>	<b>786.85</b>

**17 OTHER INCOME**

(In Rs Crore)

	<b>For the year ended 31.03.2018</b>	<b>For the year ended 31.03.2017</b>
<b>Interest Income</b>		
Bank deposits	-	0.11
<b>Profit on Sale of Investments (Net)</b>		
Current investments	1.96	1.25
<b>Dividend on investments</b>		
Current investments	-	0.15
	<b>1.96</b>	<b>1.51</b>

# Denotes amount below Rs.50,000/-


**JM FINANCIAL**  
**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

**18 EMPLOYEE BENEFITS EXPENSE**

(In Rs Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Salaries, bonus, other allowances and benefits	22.80	21.70
Contribution to provident and other funds	0.43	0.32
Gratuity (refer note 24)	0.29	0.09
Staff welfare expenses	0.04	0.04
	<b>23.56</b>	<b>22.15</b>

**19 FINANCE COSTS**

(In Rs Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>Interest expense:</b>		
- on loans	377.85	304.40
- on bank overdraft	4.02	5.82
- on others	0.40	0.01
<b>Other borrowing costs</b>	<b>9.39</b>	<b>2.03</b>
	<b>391.66</b>	<b>312.26</b>

**20 PROVISION FOR LOANS**

(In Rs Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Provision on standard assets	9.21	7.60
Provision on non-performing assets	7.58	-
	<b>16.79</b>	<b>7.60</b>

**21 OPERATING AND OTHER EXPENSES**

(In Rs Crore)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Rates and taxes	1.28	1.18
Legal and professional fees	1.73	3.72
Support service charges	10.70	10.45
Space and related charges	1.75	1.42
Information technology expenses	0.30	0.14
Travelling and conveyance	0.82	0.33
Filing fees	-	0.01
Auditors remuneration (refer note 23)	0.11	0.13
Repairs and maintenance	0.13	0.07
Electricity expenses	0.13	0.14
Donations (refer note 42)	6.01	3.05
Insurance expense	0.06	0.09
Bank charges	0.06	0.16
Printing and stationery	0.06	0.02
Membership and subscription	0.22	0.17
Communication expenses	0.06	0.06
Director sitting fees	0.08	0.08
Miscellaneous expenses	0.15	0.14
	<b>23.65</b>	<b>21.36</b>

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**22 Contingent Liabilities and commitments:** (In Rs Crore)

	As at 31.03.2018	As at 31.03.2017
<b>Contingent liability:</b>		
Undisbursed Commitment *	941.01	62.26
<b>Capital Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
	<b>941.01</b>	<b>62.26</b>

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

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

	For the year ended 31.03.2018	For the year ended 31.03.2017
Audit Fees	0.08	0.08
In any other manner (Certifications, limited reviews, etc.)	0.03	0.05
Out of pocket	#	#
	<b>0.11</b>	<b>0.13</b>

# Denotes amount below Rs.50,000/-

**24 Employee Benefits:**
**Defined Contribution Plan:**

Contributions are made to Government Provident Fund and Family Pension Fund which covers all regular employees. While both the employees and the Company make predetermined contributions to the provident fund, contribution to the family pension fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans, aggregate Rs. 0.43 crore (Previous year Rs. 0.32 crore).

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

	As at 31.03.2018	As at 31.03.2017
	(In Rs Crore)	(In Rs Crore)
<b>I. Reconciliation of liability recognised in the Balance Sheet</b>		
Fair value of plan assets as at the end of the year	-	-
Present value of obligation as at the end of the year	0.68	0.36
Unrecognised past service cost	0.02	-
Net liability in the Balance Sheet	0.66	0.36
<b>II. Movement in net liability recognised in the Balance Sheet</b>	<b>(In Rs Crore)</b>	<b>(In Rs Crore)</b>
Net liability as at the beginning of the year	0.36	0.32
Net expense recognised in the Statement of Profit and Loss	0.29	0.09
Liabilities assumed on acquisition / (settled on divestiture)	-	(0.04)
Payments during the year	-	(0.01)
Net liability as at the end of the year	0.66	0.36

<b>III. Expense recognised in the Statement of Profit and Loss (Under the head employee benefit expenses)</b>	<b>(In Rs Crore)</b>	<b>(In Rs Crore)</b>
Current service cost	0.05	0.04
Interest cost	0.03	0.03
Past service cost	0.18	-
Actuarial losses	0.03	0.02
Expense charged to Statement of Profit and Loss	0.29	0.09

<b>IV. Reconciliation of defined benefit commitments</b>	<b>As at 31.03.2018 (In Rs Crore)</b>	<b>As at 31.03.2017 (In Rs Crore)</b>
Commitments at the beginning of the year	0.36	0.32
Current service cost	0.05	0.04
Interest cost	0.03	0.03
Past service cost	0.18	-
Actuarial losses	0.03	0.02
Liabilities assumed on acquisition / (settled on divestiture)	-	(0.04)
Benefits Paid	-	(0.01)
Commitments at the year end	0.66	0.36

<b>V. Experience Adjustments</b>	<b>31-Mar-14 (In Rs Crore)</b>	<b>31-Mar-15 (In Rs Crore)</b>	<b>31-Mar-16 (In Rs Crore)</b>	<b>31-Mar-17 (In Rs Crore)</b>	<b>31-Mar-18 (In Rs Crore)</b>
Defined benefit obligation	-	0.24	0.32	0.36	0.66
Surplus / (Deficit)	-	(0.24)	-	(0.36)	(0.66)
Experience adj. on plan	-	-	#	#	0.08
Liabilities					

# Denotes amount below Rs.50,000/-

<b>VI. Actuarial Assumptions</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Mortality table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount rate (per annum)	7.85%	7.20%
Rate of escalation in salary (per annum)	7.00%	7.00%

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

## 25 Related Party Disclosure

### Names of related parties and description of Relationship

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

**Holding Company**  
JM Financial Limited

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

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

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**(B) Fellow Subsidiaries**

JM Financial Institutional Securities Limited (up to December 31, 2017)  
 JM Financial Services Limited  
 JM Financial Products Limited  
 JM Financial Properties and Holdings Limited  
 CR Retail Malls (India) Limited  
 JM Financial Commtrade Limited

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

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

**(D) Key management personnel:**

Mr. Shashwat Belapurkar (CEO)  
 Ms. Tara Subramaniam (COO) (up to March 31, 2017)  
 Mr. Gagan Kothari (CFO)  
 Mr. Hemant Pandya (CS)

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

Name of the related party	Nature of relationship	As at 31.03.2018 (In Rs Crore)	As at 31.03.2017 (In Rs Crore)
<b>JM Financial Limited</b>	(A)		
Inter corporate deposit repaid		-	145.00
Interest expenses on inter corporate deposits taken		-	3.07
Rating support fees		6.79	-
Support service charges		1.98	1.80
Reimbursement of expenses		0.01	0.40
Closing balance payable as at the year end		2.34	-
<b>JM Financial Properties and Holdings Limited</b>	(B)		
Space and related charges		1.55	1.25
Reimbursement of expenses (paid)		0.32	0.40
Rent deposit repaid		1.43	-
Closing balance as at the year end - rent deposit		-	1.43
<b>JM Financial Services Limited</b>	(B)		
Demat charges		-	#
Closing balance payable as at the year end		-	#
<b>JM Financial Institutional Securities Limited</b>	(B)		
Reimbursement of expenses (paid)		0.01	0.01

# Denotes amount below Rs.50,000/-

Name of the related party	Nature of relationship	As at 31.03.2018 (In Rs Crore)	As at 31.03.2017 (In Rs Crore)
<b>JM Financial Products Limited</b>	(B)		
Inter corporate deposits given		-	75.00
Inter corporate deposits received back		-	75.00
Inter corporate deposits taken		125.00	130.00
Inter corporate deposits repaid		125.00	130.00
Interest expenses on inter corporate deposits taken		0.19	0.08
Interest income on inter corporate deposits given		-	0.02
Support service charges		8.00	7.94
Transfer of gratuity (paid)		-	0.04
Closing balance payable as at the year end		-	0.99
<b>CR Retail Malls (India) Limited</b>	(B)		
Inter corporate deposits given		25.00	-
Inter corporate deposits received back		25.00	-
Interest income on inter corporate deposits given		0.03	-
<b>JM Financial Commtrade Limited</b>	(B)		
Inter corporate deposits given		42.00	-
Inter corporate deposits received back		42.00	-
Interest income on inter corporate deposits given		0.07	-
<b>Amishi Kampani</b>	(C)		
Remuneration		0.62	0.32
Contribution to provident fund		0.01	0.00
Closing balance payable as at the year end		0.66	0.62
<b>Key management personnel</b>	(D)		
Remuneration		8.28	11.04
Contribution to provident fund		0.09	0.12
Closing balance payable as at the year end		10.48	12.18

# Denotes amount below Rs.50,000/-

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

25.2 The transactions disclosed above are exclusive of service tax and GST.

**26 Lease Transactions:**
**Finance leases**

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

	Total minimum lease payments outstanding as at the year end (In Rs Crore)	Interest expenses (In Rs Crore)	Present value of the minimum lease payments (In Rs Crore)
Not later than one year	0.04 (0.05)	0.01 (0.01)	0.03 (0.04)
Later than one year and not later than five years	0.02 (0.06)	# (0.01)	0.02 (0.05)
Later than five years	- (-)	- (-)	- (-)
<b>Total</b>	<b>0.06 (0.11)</b>	<b>0.01 (0.02)</b>	<b>0.05 (0.09)</b>

# Denotes amount below Rs.50,000/-

Figures in brackets are for previous year.

**Operating leases**

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

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

Due	Total minimum lease payments outstanding as at 31st March, 2018 (In Rs Crore)	Total minimum lease payments outstanding as at 31st March, 2017 (In Rs Crore)
Not later than one year	1.89	1.32
Later than one year and not later than five years	7.12	5.06
Later than five years	-	-
<b>Total</b>	<b>9.01</b>	<b>6.38</b>

Lease payments recognised in the Statement of Profit and Loss for the current year are Rs. 1.62 crore (Previous year Rs. 1.33 crore) excluding GST and Service tax.

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

<b>Particulars</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Profit for the year (In Rs Crore)	328.29	277.25
Profit attributable to equity shareholders (In Rs Crore)	328.29	277.25
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	24,89,098	14,19,812
Basic earnings per share (Rupees)	1,318.93	1,952.70
Dilutive potential equity shares (Nos.)	-	34,204
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	24,89,098	14,54,016
Diluted earnings per share (Rupees)	1,318.93	1,906.77
Nominal value per share (Rupees)	10.00	10.00

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

<b>Sr No</b>	<b>Particulars</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
(i)	Total Number of transactions wherein Loan assets securitized	-	-
(ii)	Total book value of loan assets securitised – Rupees	-	-
(iii)	Total sales consideration received for the securitised assets – Rupees	-	-
(iv)	Gain on sale on account of securitisation – Rupees	-	-
(v)	Gain recognized in the Statement of Profit and Loss – Rupees	-	-
(vi)	Outstanding value of any services provided by way of credit enhancement, liquid support, post -securitisation asset servicing etc.	-	-
		-	-



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

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

Particulars	As at 31.03.2018	As at 31.03.2017
CRAR	22.44%	24.89%
CRAR - Tier I capital	22.07%	24.54%
CRAR - Tier II capital	0.37%	0.35%
Amount of subordinated debt raised as Tier-II capital	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

**(ii) Exposures:**

**A. Exposure to Real Estate Sector**

	Category	As at 31.03.2018	As at 31.03.2017
		(In Rs Crore)	(In Rs Crore)
a)	<b>Direct Exposure</b>		
(i)	<b>Residential Mortgages-</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lacs may be shown separately)		
(ii)	<b>Commercial Real Estate-</b> Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	7,213.88	5,572.95
(iii)	<b>Investments in Mortgage Backed Securities (MBS) and other securitised exposures-</b> a) Residential, b) Commercial Real Estate.		



**B. Exposures to Capital Market**

	Category	As at 31.03.2018	As at 31.03.2017
		(In Rs Crore)	(In Rs Crore)
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	63.00
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total exposure to Capital Market</b>		-	<b>63.00</b>

## Liability Management:

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

- 30 Schedule to the Balance Sheet (as required in terms of Paragraph 18 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016**

<b>(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>			
<b>Particulars</b>			
	<b>Liabilities side</b>	<b>Amount outstanding (In Rs Crore)</b>	<b>Amount overdue (In Rs Crore)</b>
(a)	Debentures	2,252.66	-
	(i) Secured	(1,500.18)	(-)
	(ii) Unsecured (other than falling within the meaning of public deposits)	-	-
(b)	Deferred Credits	(-)	(-)
(c)	Term Loans	2,573.32	-
(d)	Inter-corporate loans and borrowing	(1,878.86)	(-)
(e)	Commercial Paper	786.57	-
(f)	Other Loans (Please Specify)	(786.45)	(-)
	Working Capital Loan	-	-
	Cash Credits	53.80	-
	Due under finance lease	(66.17)	(-)
		0.05	-
		(0.09)	(-)

<b>(2) Break up of Loans and Advances including bills receivables (other than those included in (4) below):</b>		
<b>Particulars</b>		
	<b>Assets side</b>	<b>Amount outstanding (In Rs Crore)</b>
(a)	Secured	7,213.88
(b)	Unsecured	(5,635.95)
		125.00
		(22.20)

JM FINANCIAL CREDIT SOLUTIONS LIMITED

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

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

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

<b>(5) Borrower group – wise classification of assets financed as in (2) and (3) above:</b>		<b>Amount (net of provisions)</b>		
	<b>Category</b>	<b>Secured (In Rs Crore)</b>	<b>Unsecured (In Rs Crore)</b>	<b>Total (In Rs Crore)</b>
1)	Related Parties			
	(a) Subsidiaries	-	-	-
		(-)	(-)	(-)
	(b) Companies in the same group	-	-	-
		(-)	(-)	(-)
	(c) Other related parties	-	-	-
		(-)	(-)	(-)
2)	Other than related parties			
		7,213.88	125.00	7,338.88
		(5,635.95)	(22.20)	(5,658.15)
		7,213.88	125.00	7,338.88
		(5,635.95)	(22.20)	(5,658.15)
	Less: Provision for non-performing assets	7.58	-	7.58
		(-)	(-)	(-)
		7,206.30	125.00	7,331.30
		(5,635.95)	(22.20)	(5,658.15)

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

(7)	<u>Other Information:</u>	
	Particulars	Amount (In Rupees)
(i)	Gross Non – Performing Assets (a) Related Parties	- (-)
	(b) Other than related parties	75.80 (-)
(ii)	Net Non – Performing Assets (a) Related Parties	- (-)
	(b) Other than related parties	68.22 (-)
(iii)	Assets acquired in satisfaction of debt	- (-)

(Figures in brackets indicates previous year figures)

- 31 There are no restructured advances as on March 31, 2018, Hence disclosure of information as required in terms of Paragraph 24 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 (as amended vide Notification No. DNBS(PD).No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

### 32 Investments

	Particulars	As at 31.03.2018 (In Rs Crore)	As at 31.03.2017 (In Rs Crore)
(a)	<b>Value of Investments</b>		
(i)	Gross Value of Investments (a) in India	-	-
	(b) Outside India	-	-
(ii)	Provision for depreciation (a) in India	-	-
	(b) Outside India	-	-
(iii)	Net Value of Investments (a) in India	-	-
	(b) Outside India	-	-
(b)	Movement of provisions held towards depreciation on investments		
(i)	Opening balances	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

### 33. Additional & Miscellaneous Disclosures:

- (I) Registration obtained from other financial sector regulators

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

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

Particulars	As at 31.03.2018 (In Rs Crore)	As at 31.03.2017 (In Rs Crore)
	Nil	Nil

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

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

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

(V) Premium utilised for share issue expenses

Particulars	As at 31.03.2018 (In Rs Crore)	As at 31.03.2017 (In Rs Crore)
Premium utilised for share issue expenses	Nil	Nil

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

		As at 31.03.2018	As at 31.03.2017
	<b>ICRA Limited</b>		
(i)	Commercial Paper programme	[ICRA]A1+	[ICRA]A1+
(ii)	Bank loan facility	[ICRA]AA/Stable	[ICRA]AA/Stable
(iii)	Non-Convertible Debentures	[ICRA]AA/Stable	[ICRA]AA/Stable
	<b>CRISIL Limited</b>		
(i)	Commercial Paper programme	CRISIL A1+	CRISIL A1+
(ii)	Bank loan facility	CRISIL AA/stable	CRISIL AA/stable
(iii)	Non-Convertible Debentures	CRISIL AA/stable	CRISIL AA/stable
	<b>India Rating</b>		
(i)	Commercial Paper programme	IND A1+	IND A1+
(ii)	Bank loan facility	IND AA/Stable	IND AA/Stable
(iii)	Non-Convertible Debentures	IND AA/Stable	IND AA/Stable

#### 35 Provisions and Contingencies

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

	For the year 31.03.2018 (In Rs Crore)	For the year 31.03.2017 (In Rs Crore)
Provisions for depreciation on Investment	-	-
Provision towards NPA	7.58	-
Provision made towards Income tax	179.22	152.36
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	9.21	7.60

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

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA

**Concentration of Advances**

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Total Advances to twenty largest borrowers – (In Rs Crore)	2,842.75	2,659.36
Percentage of Advances to twenty largest borrowers (group wise) to total Advances of the NBFC	38.74%	47.00%

**Concentration of Exposures**

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Total Exposure to twenty largest borrowers / customers – (In Rs Crore)	2,844.79	2,668.02
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers	38.70%	47.03%

**Concentration of NPAs**

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Total exposure to top four NPA accounts	75.80	Nil

**Sector-wise NPAs**

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
Agriculture & allied activities	Nil	Nil
MSME	Nil	Nil
Corporate borrowers	75.80	Nil
Services	Nil	Nil
Unsecured personal loans	Nil	Nil
Auto loans	Nil	Nil
Other personal loans	Nil	Nil
Other loans	Nil	Nil

**37 Movement of NPAs:**

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
<b>Net NPAs to Net Advances (%)</b>		
<b>Movement of NPAs (Gross)</b>		
(a) Opening balance	-	-
(b) Additions during the year	75.80	-
(c) Reductions during the year	-	-
(d) Closing balance	<b>75.80</b>	-
<b>Movement of Net NPAs</b>		
(a) Opening balance	-	-
(b) Additions during the year	68.22	-
(c) Reductions during the year	-	-
(d) Closing balance	<b>68.22</b>	-
<b>Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	-	-
(b) Provisions made during the year	7.58	-
(c) Write-off / write-back of excess provisions	-	-
(d) Closing balance	<b>7.58</b>	-

**38 Disclosures of Complaints**

**Complaints**

<b>Particulars</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

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

**40 Employee Stock Option Scheme:**

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

May 06, 2013      339,099 Stock Options  
 April 01, 2014      518,394 Stock Options

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

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

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

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	1,66,397	4,62,095
Granted during the year	-	-
Transfer in during the year	-	-
Transfer out during the year	-	13,333
Lapsed/ forfeited during the year	-	-
Exercised during the year	1,66,397	2,82,365
Outstanding at the end of the year	-	1,66,397
Exercisable at the end of the year	-	6,932

# Denotes amount below Rs.50,000/-

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

**JM FINANCIAL CREDIT SOLUTIONS LIMITED**



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

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

(In Rs Crore)

Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial Products Limited	Fellow Subsidiary	-	-
		(75.00)	(-)
JM Financial Commtrade Limited	Fellow Subsidiary	42.00	-
		(-)	(-)
CR Retail Malls (India) Limited	Fellow Subsidiary	25.00	-
		(-)	(-)

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

(Figures in brackets indicates previous year figures)

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

(a) Gross amount required to be spent by the company during the year – Rs 5.39 crore (Previous year Rs. 2.54 crore)

(b) Amount spent and paid during the year by way of donation to charitable trusts – Rs 5.41 crore (Previous year Rs.2.55 crore) for purposes other than Construction/acquisition of any assets.

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

- 44** Unhedged Foreign Currency Exposure

(In Rs Crore)

Sr No	Particulars	As at 31.03.2018	As at 31.03.2017
1	Foreign Currency Exposures (FCE) as on 31.03.2018	Nil	Nil
2	Total credit exposures (sanctioned) from banking system on 31.03.2018 (in foreign currency)	Nil	Nil

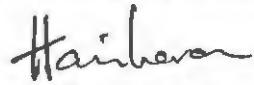
**JM FINANCIAL**  
**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

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

For and on behalf of the Board of Directors



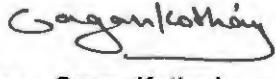
**Vikram Pandit**  
Chairman  
DIN – 07062676



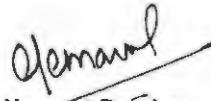
**Hariharan Aiyar**  
Vice Chairman  
DIN – 01374306



**Shashwat Belapurkar**  
Chief Executive Officer



**Gagan Kothari**  
Chief Financial Officer



**Hemant Pandya**  
Company Secretary

**Place:** Mumbai  
**Date:** April 30, 2018

**CASH FLOW STATEMENT**

	<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>
		<b>As at 31.03.2018 (In Rs Crore)</b>	<b>As at 31.03.2017 (In Rs Crore)</b>
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	504.04	424.78
	<b>Adjustment for:</b>		
	Depreciation and amortisation expenses	0.23	0.21
	Profit on sale of investments (net)	(1.96)	(1.25)
	Provision for gratuity	0.29	0.09
	Provision for compensated absences	0.15	0.04
	Provision for standard and non-performing assets	16.79	7.60
	Interest on fixed deposits	-	(0.11)
	Interest expenses - others	0.40	0.01
	Dividend income	-	(0.15)
	<b>Operating profit before working capital changes</b>	<b>519.94</b>	<b>431.22</b>
	Adjustment for:		
	Increase in long-term loans and advances and other current assets	(1,670.56)	(1,578.35)
	Increase in trade payables and other liabilities	32.20	32.57
	Decrease in Provisions	-	(0.06)
	<b>Cash (used in) operations</b>	<b>(1,118.42)</b>	<b>(1,114.62)</b>
	Direct taxes paid	(177.37)	(155.58)
	<b>Net cash (used in) operating activities</b>	<b>(1,295.79)</b>	<b>(1,270.20)</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of current investments – Others	(7,454.04)	(4,505.50)
	Sale of current investments – Others	7,456.00	4,506.75
	Purchase of fixed assets	(0.06)	(0.74)
	Interest received on Bank Deposits	-	0.11
	Dividend Income	-	0.15
	<b>Net cash generated from investment activities</b>	<b>1.90</b>	<b>0.77</b>


**JM FINANCIAL**  
**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

	<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>
		<b>As at 31.03.2018 (In Rs Crore)</b>	<b>As at 31.03.2017 (In Rs Crore)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Interest paid	(0.01)	(0.01)
	Proceeds from long-term borrowings	2,234.98	1,432.50
	Repayment of long-term borrowings	(812.29)	(297.69)
	Proceeds from short-term borrowings	2,201.57	8,229.92
	Repayment of short-term borrowings	(2,213.72)	(8,195.45)
	<b>Net cash generated from financing activities</b>	<b>1,410.53</b>	<b>1,169.27</b>
	Net increase / (Decrease) in Cash and cash equivalents	116.64	(100.16)
	Cash and cash equivalents at the beginning of the year	1.70	101.86
	<b>Cash and cash equivalents at the end of the year</b>	<b>118.34</b>	<b>1.70</b>

**Notes**

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

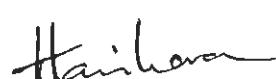
In terms of our report attached

**For Deloitte Haskins & Sells LLP    For and on behalf of the Board of Directors  
Chartered Accountants**

Registration No. 117366W/W-100018



**Vikram Pandit**  
Chairman  
DIN – 07062676



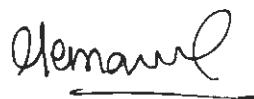
**Hariharan Aiyar**  
Vice Chairman  
DIN – 01374306



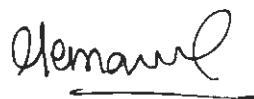
**G. K. Subramaniam**  
Partner  
Membership No. 109839  
Place: Mumbai  
Date: April 30, 2018



**Shashwat Belapurkar**  
Chief Executive Officer  
Place: Mumbai  
Date: April 30, 2018



**Gagan Kothari**  
Chief Financial Officer



**Hemant Pandya**  
Company Secretary

# **Deloitte Haskins & Sells LLP**

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

Tel: +91 22 6185 4000  
Fax: +91 22 6185 4101

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

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

We have audited the accompanying financial statements of **JM Financial Credit Solutions Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

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

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

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigation which would impact its financial position;
    - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor

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- Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



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

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

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

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **JM Financial Credit Solutions Limited** ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Abhijit A. Damle  
Partner  
(Membership No. 102912)

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

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

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

- (i) In respect of its fixed assets:
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which:
- a) The terms and conditions of the grant of such loan is, in our opinion, *prima facie*, not prejudicial to the Company's interest.
  - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) The company being Non-Banking Finance Company and does not have any investment, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues where applicable, to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.
  - (b) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on 31st March 2017 on account of disputes.

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**Deloitte  
Haskins & Sells LLP**

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

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



Abhijit A. Damle  
Partner  
(Membership No. 102912)

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

# **Deloitte Haskins & Sells LLP**

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

Tel: +91 22 6185 4000  
Fax: +91 22 6185 4101

## **AUDITORS' REPORT FOR NON DEPOSIT TAKING NBFCs**

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

Dear Sirs,

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

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

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

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



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

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



**JM FINANCIAL CREDIT SOLUTIONS  
LIMITED**

**Financial Statements**

**Financial Year 2016 - 2017**

## JM FINANCIAL CREDIT SOLUTIONS LIMITED

## BALANCE SHEET AS AT MARCH 31, 2017

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

In terms of our report attached

For Deloitte Haskins &amp; Sells LLP

Chartered Accountants

Registration No. 117366W/W-100018

For and on behalf of the Board of Directors



 Vishal Kampani Hariharan Aiyar

Vikram Pandit

Chairman

DIN - 07062676

Vishal Kampani

Vice Chairman

DIN - 00009079

Hariharan Aiyar

Vice Chairman

DIN - 01374306

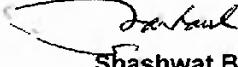
Abhijit A. Damle

Partner

Membership No. 102912

Place: Mumbai

Date: April 27, 2017


 Shashwat Belapurkar

Chief Executive Officer

Place: Mumbai

Date: April 27, 2017


 Gagan Kothari

Chief Financial Officer


 Hemant Pandya

Company Secretary

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

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

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Registration No. 117366WW-100018

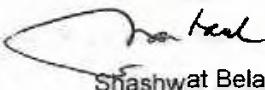
For and on behalf of the Board of Directors

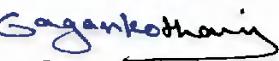
Vikram Pandit  
Chairman  
DIN - 07062676

Vishal Kampani  
Vice Chairman  
DIN - 00009079

Hariharan Aiyar  
Vice Chairman  
DIN - 01374306

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

  
Shashwat Belapurkar  
Chief Executive Officer

  
Gagan Kothari  
Chief Financial Officer

  
Hemant Pandya  
Company Secretary

**1. Significant Accounting Policies****1. Basis of preparation of financial statements**

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, as applicable and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable and the circulars and guidance issued by Reserve Bank of India from time to time. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in preparation of financial statements are consistent with those followed in previous year.

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

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

**3. Use of estimates**

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

**4. Fixed Assets****Tangible Assets**

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

**Depreciation**

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

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

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

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

**Intangible Assets**

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

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

**5. Impairment of assets**

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

**6. Investments**

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

**7. Revenue recognition**

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

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

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

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

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

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

**9. Employee Retirement Benefits**

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

**Defined Contribution Plan:**

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

**Defined Benefit Plans:**

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

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

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

**10. Borrowing costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period they occur.

**11. Taxes on income**

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

**12. Earnings per Equity share**

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

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

**13. Provisions and contingencies**

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

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## 2. SHARE CAPITAL

(In Rs Crore)

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

### 2.1 Reconciliation of the number of shares outstanding

#### Equity Shares

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

#### Compulsory Convertible Preference Shares

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

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

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

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

**Equity Shares:**

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

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

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

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

**Voting rights:**

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

**Dividend:**

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

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

**Terms of Preference shares:**

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

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**NOTES TO THE FINANCIAL STATEMENTS**

**3 RESERVES AND SURPLUS**

(In Rs Crore)

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

**4 LONG-TERM BORROWINGS**

(In Rs Crore)

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

**4.1 Term loans:**

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

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

(In Rs Crore)

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

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

**4.2 Non-Convertible Debentures:**

- a) Rs.350 crore (Previous year Rs.400 crore) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.
- b) Rs.571.90 crore (Previous year Rs.505.90 crore) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.
- c) Rs.55 crore (Previous year Rs.30 crore) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.
- d) Rs.437.70 crore (Previous year nil) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

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

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

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

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

\* Redeemable at premium

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

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

	(In Rs Crore)	
	As at 31.03.2017	As at 31.03.2016
Employee benefits payable	11.79	10.84
Interest payable	11.99	1.79
	<b>23.78</b>	<b>12.63</b>

**6 LONG-TERM PROVISIONS**

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

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

**7 SHORT-TERM BORROWINGS**

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

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

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

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

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

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#### 8 TRADE PAYABLES

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

#### 9 OTHER CURRENT LIABILITIES

(In Rs Crore)

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

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

#### 10 SHORT-TERM PROVISIONS

(In Rs Crore)

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

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**11. FIXED ASSETS FOR THE CURRENT YEAR**
**(In Rs Crore)**

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

# Denotes amount below Rs.50,000/-.

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**FIXED ASSETS FOR THE PREVIOUS YEAR**
**(In Rs Crore)**

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK
	As at 31.03.2015	Additions for the year	As at 31.03.2016	Up to 31.03.2015	Additions for the year	Up to 31.03.2016	
<b>TANGIBLE ASSETS:</b>							
Owned Assets:							
Land	0.05	-	0.05	-	-	-	0.05
Computers	0.06	0.07	0.13	0.01	0.04	0.05	0.08
Furniture and fixtures	0.01	0.03	0.04	#	#	#	0.04
Office Equipment	-	0.01	0.01	-	#	#	0.01
Leased Assets:							
Vehicles	0.02	0.07	0.09	0.01	0.04	0.05	0.04
<b>Total</b>	<b>0.14</b>	<b>0.18</b>	<b>0.32</b>	<b>0.02</b>	<b>0.08</b>	<b>0.10</b>	<b>0.22</b>
<b>INTANGIBLE ASSETS:</b>							
Software (Purchased)	-	0.09	0.09	-	#	#	0.09
<b>Grand total</b>	<b>0.14</b>	<b>0.27</b>	<b>0.41</b>	<b>0.02</b>	<b>0.09</b>	<b>0.10</b>	<b>0.31</b>

# Denotes amount below Rs.50,000/-

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**
**12 DEFFERED TAX ASSETS (NET)**
**(In Rs Crore)**

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

**13 LONG-TERM LOANS AND ADVANCES**
**(In Rs Crore)**

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

**14 CASH AND CASH EQUIVALENTS**
**(In Rs Crore)**

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

# Denotes amount below Rs.50,000/-

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**15 SHORT-TERM LOANS AND ADVANCES**

(In Rs Crore)

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

**16 OTHER CURRENT ASSETS**

(In Rs Crore)

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

**17 REVENUE FROM OPERATIONS**

(In Rs Crore)

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

**18 OTHER INCOME**

(In Rs Crore)

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

# Denotes amount below Rs.50,000/-

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

(In Rs Crore)

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

**20 FINANCE COSTS**

(In Rs Crore)

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

**21 PROVISION FOR LOANS**

(In Rs Crore)

	For the year ended 31.03.2017	For the year ended 31.03.2016
Provision on standard assets	7.60	7.67

**22 OPERATING AND OTHER EXPENSES**

(In Rs Crore)

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

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**23 Contingent Liabilities and commitments:**
**(In Rs Crore)**
**Capital Commitments:**

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

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

**24 Payment to Auditors: (Excluding service tax)**
**(In Rs Crore)**

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

# Denotes amount below Rs.50,000/-

**25 Employee Benefits:**
**Defined Contribution Plan:**

Contributions are made to Government Provident Fund and Family Pension Fund which covers all regular employees. While both the employees and the Company make predetermined contributions to the provident fund, contribution to the family pension fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans, aggregate Rs. 0.32 crore (Previous year Rs. 0.30 crore).

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

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

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

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

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

# Denotes amount below Rs.50,000/-

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

# Denotes amount below Rs.50,000/-

<b>VI. Actuarial Assumptions</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Mortality table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount rate (per annum)	7.20%	7.95%
Rate of escalation in salary (per annum)	7.00%	7.00%

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

## 26 Related Party Disclosure

### Names of related parties and description of Relationship

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

**Holding Company**  
JM Financial Limited

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

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

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**(B) Fellow Subsidiaries**

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

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

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

**(D) Key management personnel:**

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

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

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

# Denotes amount below Rs.50,000/-

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

# Denotes amount below Rs.50,000/-

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

26.2 The transactions disclosed above are exclusive of service tax.

#### 27 Lease Transactions:

##### Finance leases

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

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

Figures in brackets are for previous year.

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## JM FINANCIAL CREDIT SOLUTIONS LIMITED

**JM FINANCIAL**

### **Operating leases**

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

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

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

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

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

Particulars	As at 31.03.2017	As at 31.03.2016
Profit for the year (In Rs Crore)	277.25	197.54
Profit attributable to equity shareholders (In Rs Crore)	277.25	197.54
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	14,19,812	12,50,004
Basic earnings per share (Rupees)	1.952.70	1,580.33
Dilutive potential equity shares (Nos.)	34,204	12,49,496
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	14,54,016	24,99,500
Diluted earnings per share (Rupees)	1,906.77	790.32
Nominal value per share (Rupees)	10.00	10.00

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

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

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

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

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

**(ii) Exposures:**

**A. Exposure to Real Estate Sector**

	Category	As at 31.03.2017 (In Rs Crore)	As at 31.03.2016 (In Rs Crore)
a)	<b>Direct Exposure</b>		
(i)	<b>Residential Mortgages-</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lacs may be shown separately)		
(ii)	<b>Commercial Real Estate-</b> Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	4,559.15	3,961.47
(iii)	<b>Investments in Mortgage Backed Securities (MBS) and other securitised exposures-</b> a) Residential, b) Commercial Real Estate.		

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**



**B. Exposures to Capital Market**

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

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

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

# Denotes amount below Rs.50,000/-.

Notes:

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

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**31 Schedule to the Balance Sheet (as required in terms of Paragraph 13 of Non Banking Financial (Non – Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007):-**

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

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

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JM FINANCIAL CREDIT SOLUTIONS LIMITED

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

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

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

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

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

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

(Figures in brackets indicates previous year figures)

- 32 There are no restructured advance as on March 31, 2016, Hence disclosure of information as required in terms of sub-Para 9 of Paragraph 20B of Non Banking Financial (Non – Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended vide Notification No. DNBS(PD).No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

### 33 Investments

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

### 34. Additional & Miscellaneous Disclosures:

- (I) Registration obtained from other financial sector regulators

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

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

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31.03.2017</b> <b>(In Rs Crore)</b>	<b>31.03.2016</b> <b>(In Rs Crore)</b>
	Nil	Nil

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

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

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

(V) Premium utilised for share issue expenses

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31.03.2017</b> <b>(In Rs Crore)</b>	<b>31.03.2016</b> <b>(In Rs Crore)</b>
Premium utilised for share issue expenses	Nil	Nil

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

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

### 36 Provisions and Contingencies

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

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

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*LLP*

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

	As at 31.03.2017	As at 31.03.2016
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA

**Concentration of Advances**

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

**Concentration of Exposures**

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

**Concentration of NPAs**

	As at 31.03.2017	As at 31.03.2016
Total exposure to top four NPA accounts	Nil	Nil

**Sector-wise NPAs**

	As at 31.03.2017	As at 31.03.2016
Agriculture & allied activities	Nil	Nil
MSME	Nil	Nil
Corporate borrowers	Nil	Nil
Services	Nil	Nil
Unsecured personal loans	Nil	Nil
Auto loans	Nil	Nil
Other personal loans	Nil	Nil
Other loans	Nil	Nil

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**38 Movement of NPAs:**

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

**39 Disclosures of Complaints**

**Complaints**

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

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

**DHK**  
**W**

**41 Employee Stock Option Scheme:**

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

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

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

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

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

(In Rs Crore)

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

# Denotes amount below Rs.50,000/-

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

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**JM FINANCIAL CREDIT SOLUTIONS LIMITED**



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

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

(In Rs Crore)

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

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

(Figures in brackets indicates previous year figures)

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

(a) Gross amount required to be spent by the company during the year – Rs 2.54 crore (Previous year Rs. 0.48 crore)

(b) Amount spent and paid during the year by way of donation to charitable trusts – Rs 2.55 crore (Previous year Rs.0.48 crore)

- 44** Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

(In RUPEES)

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

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

- 46** Unhedged Foreign Currency Exposure

(In Rs Crore)

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

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**JM FINANCIAL**  
**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

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

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For and on behalf of the Board of Directors



Vikram Pandit

Chairman

DIN - 07062676



Vishal Kampani

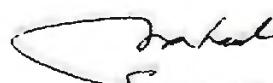
Vice Chairman

DIN - 00009079

Hariharan Aiyar

Vice Chairman

DIN - 01374306



Shashwat Belapurkar

Chief Executive Officer



Gagan Kothari

Chief Financial Officer



Hemant Pandya

Company Secretary

Place: Mumbai

Date: April 27, 2017

**CASH FLOW STATEMENT**

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

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

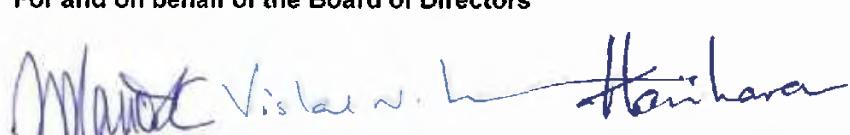
**Notes**

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

In terms of our report attached

**For Deloitte Haskins & Sells LLP    For and on behalf of the Board of Directors  
Chartered Accountants**

Registration No. 117366W/W-100018



**Vikram Pandit**  
Chairman  
DIN – 07062676

**Vishal Kampani**  
Vice Chairman  
DIN – 00009079

**Hariharan Aiyar**  
Vice Chairman  
DIN – 01374306

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



**Shashwat Belapurkar**  
Chief Executive Officer  
Place: Mumbai  
Date: April 27, 2017

**Gagan Kothari**  
Chief Financial Officer

**Hemant Pandya**  
Company Secretary

**APPLICATION FORM – TRANCHE AT – 2019 (XV)**
**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

CIN - U74140MH1980PLC022644

 (Regd. Office: 7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025)

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

Email: hemant.pandya@jmfl.com / investorrelations.csl@jmfl.com

Contact Person: Mr. Hemant Pandya, Company Secretary

**PRIVATE PLACEMENT OF UPTO 500 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (“*TRANCHE AT DEBENTURES*” OR “*TRANCHE AT NCDs*”) OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) EACH FOR CASH AGGREGATING UPTO RS. 50,00,00,000/- (RUPEES FIFTY CRORE ONLY) TO BE ISSUED UNDER THE DISCLOSURE DOCUMENT DATED AUGUST 16, 2019 (“DD”) AS AMENDED / SUPPLEMENTED FROM TIME TO TIME**

<b>TRANCHE AT DEBENTURE APPLICATION FORM SERIAL NO.</b>		0	0	1
<b>TRANCHE AT – 2019 (XV)</b>		<b>TRANCHE AT – 2019 (XV)</b>		
<b>Opens on: August 22, 2019</b>		<b>Closes on: August 22, 2019</b>		
<b>Options Applied</b>		<b>I</b>	<b>H</b>	

Dear Sirs,

I/We have read and understood the terms and conditions of the issue of Tranche AT Debentures and all the information contained in the DD (“**Disclosure Documents**”) including in particular the Risk Factors described in the DD and have considered these in making my/our decision to apply. I/We bind myself/ourselves to the said terms and conditions and wish to apply for allotment of the Tranche AT Debentures. I/We request you to please place my/our name(s) on the Register of Tranche AT Debenture holders. The amount payable on application as shown below is remitted herewith and is paid from my own (first/sole applicant) bank account. I/We note that the Company is entitled in its absolute discretion, to accept or reject this application in whole, or in part, without assigning any reason whatsoever.

**(PLEASE READ THE INSTRUCTIONS ON THE LAST PAGE CAREFULLY BEFORE FILLING THIS APPLICATION FORM)**

*All capitalized terms used in this application form which are not defined shall have the meaning attributed to them in the Disclosure Documents.*

The application shall be for a minimum of 10 (Ten) Tranche AT NCDs and in multiples of 1 (one) thereafter
<b>No. of Tranche AT NCDs applied for (in figures)</b>
<b>No. of Tranche AT NCDs applied for (in words)</b>
<b>Amount (Rs.) (in figures)</b>
<b>Amount (Rs.) (in words)</b>

**DETAILS OF PAYMENT:**

Cheque / Demand Draft Amount (Rs. in figures): \_\_\_\_\_

Cheque / Demand Draft Amount (Rs. in words): \_\_\_\_\_

Date of Cheque / Demand Draft: \_\_\_\_\_

Cheque / Demand Draft No.: \_\_\_\_\_

Cheque / Demand Draft Drawn on (Name of Bank and Branch): \_\_\_\_\_

*(Note: Cheque and Drafts are subject to realisation)*

**Funds transferred to JM FINANCIAL CREDIT SOLUTIONS LIMITED**

Mode of Transfer (RTGS / NEFT / ECS / NACH / Direct Credit etc.): \_\_\_\_\_

Date of Transfer: \_\_\_\_\_

Total Amount Transferred:

(Rs. in figures) \_\_\_\_\_

(Rs. in words) \_\_\_\_\_

The payment is to be made through any electronic mode of payment such as RTGS / NEFT, the funds have to be credited to the any of Designated Bank Accounts of ICCL, the details of which are as follows:

Bank	ICICI Bank	YES Bank	HDFC Bank
Beneficiary Name	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd
Beneficiary Account No.	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060

I/We confirm that the amount paid on application has been remitted from the bank account of the First Applicant of the Debentures.

FIRST/SOLE APPLICANT'S NAME IN FULL (CAPITALS)										SPECIMEN SIGNATURE	
<b>PAN / GIR No. / NOT ALLOTTED</b>										<b>IT Circle / Ward / District</b>	

SECOND APPLICANT'S NAME IN FULL (CAPITALS)										SPECIMEN SIGNATURE	
<b>PAN / GIR No. / NOT ALLOTTED</b>										<b>IT Circle / Ward / District</b>	

THIRD APPLICANT'S NAME IN FULL (CAPITALS)										SPECIMEN SIGNATURE	
<b>PAN / GIR No. / NOT ALLOTTED</b>										<b>IT Circle / Ward / District</b>	

**FIRST/SOLE APPLICANT'S COMPLETE ADDRESS (Post Box No. alone is not sufficient)**

46-47, 4<sup>th</sup> Floor, Maker Chambers, Nariman Point, Mumbai

<b>PIN</b>	400 021	<b>PHONE</b>	022 66696114	<b>FAX</b>	
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**FIRST/SOLE APPLICANT'S BANK DETAILS**

Bank Name	
Bank Branch	
Branch City	
Nature of Account	
Account No.	
MICR Code	
RTGS Code	
IFSC Code	
Email id	

**I/WE ARE APPLYING AS:**  COMPANY  INDIVIDUAL  MUTUAL FUND  
 OTHERS SPECIFY \_\_\_\_\_

**I/WE CONFIRM RESIDENTIAL STATUS AS INDIAN**

**TAX STATUS:** NON EXEMPT  EXEMPT  (IF EXEMPT PLEASE SPECIFY) \_\_\_\_\_  
 (IF EXEMPT, PLEASE PROVIDE SUPPORTING DOCUMENTS FROM INCOME TAX AUTHORITIES)

**I / WE CONFIRM** that the amount paid on application has been remitted from the bank account of the First Applicant of the Debentures.

**TO BE FILLED IN ONLY IF THE APPLICANT IS AN INSTITUTION / COMPANY / BODY CORPORATE (INCLUDING SOCIETY)**

	Name of the Authorised Signatory(ies)	Designation	Signature
1			
2			
3			

I/We, the undersigned, are agreeable to holding the Tranche AT NCDs of the Company in dematerialised form. Details of my/our Beneficiary Account are given below:

<b>DEPOSITORY</b>	
<b>DEPOSITORY PARTICIPANT NAME</b>	
<b>DP-ID</b>	
<b>BENEFICIARY CLIENT ID</b>	
<b>NAME OF THE APPLICANT(S)</b>	

I/We understand that: i) in case of allotment of Tranche AT Debentures to me/us, my/our Beneficiary Account as mentioned above would get credited to the extent of allotted Tranche AT Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with the Depository Participant, iii) if the names of the Applicant(s) in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Tranche AT Debentures cannot be credited to my/our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application.

I/We confirm that I/We have for the purpose of investing in these Tranche AT Debentures carried out my/our own due diligence and made my/our own decisions with respect to investment in these Tranche AT Debentures and have not relied on any representations made by anyone other than those contained in the Disclosure Documents. I/We confirm that we have not been debarred from accessing the capital market or have been restrained by any regulatory authority from directly or indirectly acquiring the said securities.

I / We understand that the Company may communicate to or intimate me / us only by e-mail or facsimile message and I / we undertake to accept the same as a valid communication or intimation as if such communication or intimation had been otherwise hand delivered or delivered by registered post or courier. I / We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), I / We shall convey all the terms and conditions contained herein and in the Disclosure Documents to such Transferee. I / We shall indemnify the Company for all claims arising out of or as a consequence of us not conveying to the Transferee all the terms and conditions contained herein and in the Disclosure Documents.

Sole/First Applicant's

Second Applicant's

Third Applicant's

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Signature

---

Signature

---

Signature

**FOR OFFICE USE ONLY**

DATE OF RECEIPT \_\_\_\_\_ DATE OF CLEARANCE \_\_\_\_\_

**ACKNOWLEDGMENT SLIP****JM FINANCIAL CREDIT SOLUTIONS LIMITED**

CIN - U74140MH1980PLC022644

(Regd. Office: 7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025)

Tel : (022) 6630 3030 Fax : (022) 6630 3223 Email: hemant.pandya@jmfl.com

Contact Person: Mr. Hemant Pandya, Company Secretary

**PRIVATE PLACEMENT OF UPTO 500 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (“TRANCHE AT DEBENTURES” OR “TRANCHE AT NCDS”) OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) EACH FOR CASH AGGREGATING UPTO RS. 50,00,00,000/- (RUPEES FIFTY CRORE ONLY) TO BE ISSUED UNDER THE DISCLOSURE DOCUMENT DATED AUGUST 16, 2019 (“DD”) AT AMENDED / SUPPLEMENTED FROM TIME TO TIME**

*(To be filled in by Applicant)*

TRANCHE AT DEBENTURE APPLICATION FORM SERIAL NO.	0	0	1
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TRANCHE AT – 2019 (XV) Opens on: August 22, 2019 Options Applied	I	H
--	---	---

Received from \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

Cheque/Draft # \_\_\_\_\_ Drawn on (Bank & Branch) \_\_\_\_\_  
/ Electronic Fund Transfer from (Bank & Branch) \_\_\_\_\_  
for Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only)  
on account of application for \_\_\_\_\_ Tranche AT  
Debentures.



## FATCA/CRS DECLARATION FOR NON-INDIVIDUAL ACCOUNTS

(To be filled along with Application Form)

Note – The information in this section is being collected in order to fully comply with Foreign Account Tax Compliance Act (FATCA) requirements and the Common Reporting Standards (CRS) requirements.

For more information refer:

<http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA>

<http://www.oecd.org/ctp/exchange-of-tax-information/automatic-exchange-financial-account-information-common-reporting-standard.pdf>

### FATCA / CRS declaration and details for entities

(We are unable to provide advice about your FATCA classification or interpretation of any terms. Please therefore seek advice from a tax professional on any FATCA aspects)

#### Part A – Preliminary details (All fields mandatory)

Sr. No	Particulars	Details of Applicant													
1	<b>Name of the Entity</b>														
2	<b>Entity PAN</b>														
3	<b>Address for Tax Residence (including city, state, country and pin code)</b>														
4	<b>Address Type (Business or registered office)</b>														
5	<b>Entity Constitution Type.</b> (Refer Instruction "6" in Annexure)														
6	<b>Do you satisfy any of the criteria mentioned below?</b>														
	a. Is the entity a U.S. person (Please refer 'Other Definitions' in the Instructions)	Yes <input type="checkbox"/> (Please answer 'b')  No <input type="checkbox"/> (Please go to 'c')													
	b. Is the entity a Specified US Person	Yes <input type="checkbox"/>  No <input type="checkbox"/>	No <input type="checkbox"/> Entity's Exemption Code: _____ (Refer Instruction "5" in the Annexure)												
	c. Is the entity formed/incorporated outside India	Yes <input type="checkbox"/>  No <input type="checkbox"/>	< If yes, please specify city and country of incorporation / formation>  <table border="1" style="width: 100%;"><tr><th style="text-align: center;">City</th><th style="text-align: center;">Country</th></tr><tr><td> </td><td> </td></tr></table>	City	Country										
City	Country														
	d. Is the entity having Tax Residency in any country(ies) other than India	Yes <input type="checkbox"/>  No <input type="checkbox"/>	<< If yes, please provide the following details>> <table border="1" style="width: 100%;"><tr><th style="text-align: center;">Country of Tax Residency</th><th style="text-align: center;">PAN/ Tax Identification No.,(TIN equivalent) of</th><th style="text-align: center;">Identification Type#</th></tr><tr><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td></tr></table> #In case Tax Identification Number is not available, kindly provide functional equivalent or Company Identification Number or Global Entity Identification Number.	Country of Tax Residency	PAN/ Tax Identification No.,(TIN equivalent) of	Identification Type#									
Country of Tax Residency	PAN/ Tax Identification No.,(TIN equivalent) of	Identification Type#													
7	Is the entity a Financial Institution (FI) {including an Foreign Financial Institution} (Refer Instruction "1" in the Annexure)	Yes <input type="checkbox"/>  (Please fill Part 'B')	No <input type="checkbox"/>  (Go to next question)												
	Is the entity a Direct Reporting NFFE (Refer 'Other Definitions' in the Annexure)	Yes <input type="checkbox"/>  (Please fill Part 'B')	No <input type="checkbox"/>  (Go to next question)												
8	Is the entity a publicly traded corporation/a related entity of a publicly traded corporation/ Active NFFE	Yes <input type="checkbox"/>  (Please fill Part 'C')	No <input type="checkbox"/>  (Go to next question)												
9	The entity is a Passive NFFE	<input type="checkbox"/> (Please fill Part "D")	<b>Please specify nature of business</b>												

**Part B – If your answer to question 7 in Part A is a YES, please provide details in relation to Financial Institutions/ Foreign Financial Institutions or Direct Reporting NFFEs:**

<b>Particulars</b>	<b>Details of Applicant</b>
<p><b>The entity is:</b></p> <p>1) <b>Financial Institution</b> <input type="checkbox"/></p> <p>2) <b>Direct Reporting NFFE</b> <input type="checkbox"/></p>	<p><b>Global Intermediary Identification Number (GIIN)</b></p> <p>Note: If you do not have a GIIN but you are sponsored by another entity, please provide your sponsor's GIIN and name below:</p> <p>Name of sponsoring entity: _____ (For clarification, refer 'Other Definitions' in the Annexure)</p> <p>Sponsoring Entity's GIIN: _____ (If GIIN provided, please go directly to "Declaration and Acknowledgment".)</p>
<p><b>If GIIN not available [tick any one]:</b> (Not applicable to Direct Reporting NFFE)</p>	<p>a. <b>Not obtained:</b> <input type="checkbox"/>      b. <b>Applied for:</b> <input type="checkbox"/> [insert application date]</p> <p>c. <b>GIIN not required:</b> <input type="checkbox"/></p> <p><b>Please insert code:</b> _____ (Mention Code – For clarification, refer Instruction "2" in the Annexure) (Please go to "Declaration and Acknowledgment".)</p>

**Part C – If your answer to question 8 in Part A is a YES, please provide following details:**

<b>Sr No</b>	<b>Particulars</b>	<b>Details of Applicant</b>	
1	<p><b>a. Are you a publicly traded company?</b> (Refer Instruction "3" in the Annexure)</p>	Yes <input type="checkbox"/> [Please fill "C1(b)"]	No <input type="checkbox"/> (Please fill "C2")
	<p><b>b. Are your shares regularly traded on a recognized stock exchange</b></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/> (Please fill "C2")
		<p><b>If yes, please provide name of the stock exchange where the shares are regularly traded:</b></p> <p>1. _____</p> <p>2. _____ (Please go to "Declaration and Acknowledgment")</p>	
2	<p><b>Are you a related entity# of a listed company mentioned in Part C (1) above</b></p> <p># Related entity – An entity is a related entity of another entity if either entity controls the other entity or the two entities are under common control. For this purpose, control includes direct or indirect ownership of more than 50% of the votes and value in an entity.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/> (Please fill "C3")
	<p>Nature of relation with the related entity:</p> <p><input type="checkbox"/> Subsidiary of the listed company.</p> <p><input type="checkbox"/> Controlled by the listed company.</p>		
		<p><b>If yes, please provide name of the related entity that is listed :</b> _____</p> <p><b>Name of the stock exchange where the shares of the related listed entity are regularly traded:</b></p> <p>1. _____ (Please go to "Declaration and Acknowledgement".)</p>	
3	<p><b>Entity is an Active NFFE</b></p>	<p>Please specify nature of business: _____</p> <p>Active NFFE Code: _____</p> <p>(Refer codes in Instruction "3" in the Annexure)</p>	

#### Part D – Controlling Person/Ultimate Beneficial Owner (UBO) Declaration

Provide details of all UBO/s or Controlling person/s, [natural persons as per PMLA] (including Owner Documented FFI's[For clarification, refer 'Other Definitions' in the Annexure]) in the table below

Are you an Owner-documented FFI's - Yes  No

If 'Yes', in addition to the below details, please provide a duly filled form W8BEN E along with FFI Owner Reporting Statement and Auditor's Letter.  
If 'No', Please provide below details only.

	Controlling Person 1	Controlling Person 2	Controlling Person 3	Controlling Person 4	Controlling Person 5
<b>Name (#)</b>					
<b>Country of Birth</b>					
<b>City of birth (Please mention only if the Country of Birth is other than India)</b>					
<b>Birth Date</b>					
<b>Address (include City State, Country &amp; Pin code)</b>					
<b>Address type for address mentioned above</b>	<input type="checkbox"/> Residential or Business				
	<input type="checkbox"/> Residential				
	<input type="checkbox"/> Business				
	<input type="checkbox"/> Registered Office				
<b>Nationality</b>					
<b>Father's Name (if PAN not available)</b>					
<b>Spouse's name (optional)</b>					
<b>Telephone/mobile number with ISD code</b>					
<b>PAN</b>					
<b>Identification No.</b>					
<b>Identification Type (TIN or Other, please specify)</b>	<input type="checkbox"/> Passport				
	<input type="checkbox"/> PAN				

<b>the name of document for above)</b>	<input type="checkbox"/> Election / Voter's ID card	<input type="checkbox"/> Election / Voter's ID card	<input type="checkbox"/> Election / Voter's ID card	<input type="checkbox"/> Election/ Voter's ID card	<input type="checkbox"/> Election / Voter's ID card
	<input type="checkbox"/> Driving License				
	<input type="checkbox"/> Aadhaar card/ letter				
	<input type="checkbox"/> NREGA Card				
	<input type="checkbox"/> Govt ID Card				
	<input type="checkbox"/> Others ( pls specify) _____				
<b>% of beneficial interest / Ownership /Capital / Profits.</b>					
<b>Controlling Person Type (#) (Refer Instruction "7" of the Annexure.)</b>					
<b>Gender</b>	<input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Other _____	<input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Other _____	<input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Other _____	<input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Other _____	<input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Other _____
<b>Occupation Type</b>	<input type="checkbox"/> Service <input type="checkbox"/> Business <input type="checkbox"/> Others				
<b>Country of tax residency* (#)</b>					
<b>Additional details to be filled below ONLY by controlling persons having tax residency/permanent residency/citizenship in any country other than India including green card</b>					
	<b>Controlling Person 1</b>	<b>Controlling Person 2</b>	<b>Controlling Person 3</b>	<b>Controlling Person 4</b>	<b>Controlling Person 5</b>
<b>Tax Identification Number (TIN) (or functional equivalent) of Controlling Person for each country identified in relation to him/her (#)</b>					
<b>Identification Type (TIN or Other, please specify) (#)</b>					

**Note:**

- A. Submit documentary proof like shareholding pattern duly self-attested by Authorized Signatory / Company Secretary.
  - B. If number of UBOs are greater than 5 or the space required is insufficient, information in the given format can be given in additional sheets.
  - C. In case of a multiple intermediaries, please provide the shareholding / controlling structure of each such intermediary/ies.
- # These details are mandatory for Passive NFFES.
- (\*) To include US, where Controlling Person is a US citizen or Green Card holder.

**FATCA – CRS Terms and Conditions**

The Central Board of Direct Taxes has notified Rules 114F to 114H, as part of the Income-tax Rules, 1962, which Rules require Indian Financial Institutions to seek additional personal, tax and beneficial owner information and certain certifications and documentation from all our account holders. In relevant cases, information will have to be reported to tax authorities / appointed agencies. Towards compliance, we may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto.

Towards compliance with tax information sharing laws, such as FATCA and CRS, we would be required to seek additional personal, tax and beneficial owner information and certain certifications and documentation from our account holders. Such information may be sought either at the time of account opening or any time subsequently. As may be required by domestic or overseas regulators/ tax authorities, we may also be constrained to withhold and pay out any sums from your account or close or suspend your account(s).

Should there be any change in any information provided by you, please ensure you advise us promptly, i.e., within 30 days from the date of change in such information.

If you have any questions about your tax residency, please contact your tax advisor. If any controlling person of the entity is a US citizen or resident or green card holder, please include United States in the foreign country information field along with the US Tax Identification Number.

Foreign Account Tax Compliance provisions (commonly known as FATCA) are contained in the US Hire Act 2010.

<b>Declaration &amp; Acknowledgement</b>	<p>I/We have understood the information requirements of this Form (read along with the FATCA-CRS Instructions &amp; Definitions) and hereby confirm that the information provided by us on this Form is True, Correct, Complete and updated, and the submitted documents are genuine and duly executed. I/We also confirm that I/We have read and understood the FATCA-CRS Terms and Conditions above and hereby accept the same.</p> <p>I/We certify that (i) I/We am/are taxable as a (“U.S.”) person under the laws of the United States of America or any state or political subdivision thereof or therein, including the District of Columbia or any other states of the U.S., (ii) an estate the income of which is subject to U.S. federal income tax regardless of the source thereof (This clause is applicable only if the account holder is identified as a U.S. person); or</p> <p>The applicant is an applicant taxable as a tax resident under the laws of country outside India (This clause is applicable only if the account holder is a tax resident outside India)</p> <p>I/We acknowledge that towards compliance with tax information sharing laws, such as FATCA / CRS, Financial Institution (FI) may be required to seek additional personal, tax and beneficial owner information and certain certifications and documentation from the account holder. Such information may be sought either at the time of account opening or any time subsequently. In certain circumstances (including if FI does not receive a valid self-certification from me) the FI may be obliged to share information on my account with relevant tax authorities. Should there be any change in any information provided by me, I ensure that I will advise FI promptly, i.e., within 30 days.</p> <p>Towards compliance with such laws, Financial Institutions may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto. As may be required by domestic or overseas regulators/ tax authorities, Financial Institutions may also be constrained to withhold and pay out any sums from my/our account or close or suspend my/our account(s).</p>
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<b>Customer's Authorised Person Name</b>			
<b>Signature</b>			
<b>Designation</b>			
<b>Date</b>			
<b>Place</b>			

Form Type Submitted – W-8 BENE

**ANNEXURE**  
**Instructions for the purposes of FATCA/ CRS**

**1. Financial Institution or Foreign Financial Institution (FFI)**- The term FFI means any financial institution that is a:

**A. Depository institution:**

Accepts deposits in the ordinary course of banking or similar business.

**B. Custodial institution:**

As a substantial portion of its business, holds financial assets for the account of others

**Meaning of Substantial portion:**

- An entity holds financial assets for the account of others as a substantial portion of its business if the entity's gross income attributable to holding financial assets and related financial services equals or exceeds 20 percent of the entity's gross income during the shorter of-
  - (1) The three financial years preceding the year in which the determination is made;
  - (2) The period during which the entity has been in existence before the determination is made.

**Meaning of Income attributable to holding financial assets and related financial services:**

- Income attributable to holding financial assets and related financial services means custody, account maintenance, and transfer fees; commissions and fees earned from executing and pricing securities transactions; income earned from extending credit to customers with respect to financial assets held in custody by the entity (or acquired through such extension of credit); income earned on the bid-ask spread of financial assets; fees for providing financial advice with respect to financial assets held in (or potentially to be held in) custody by the entity; and fees for clearance and settlement services)

**C. Investment entity:**

Primarily conducts a business or operates for or on behalf of a customer for any of the following 3 activities-

- Trading in money market instruments, foreign exchange, foreign currency, etc.
  - Individual or collective portfolio management
  - Investing, administering or managing funds, money or financial asset on behalf of other persons;
- Or
- The gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity

*Explanation - An entity is treated as primarily conducting as a business one or more of the activities described in sub-clause (A), or an entity's gross income is primarily attributable to investing, reinvesting, or trading in financial assets for purposes of sub-clause (B), if the entity's gross income attributable to the relevant activities equals or exceeds 50 percent of the entity's gross income during the shorter of: (i) the three-year period ending on 31 March of the year preceding the year in which the determination is made; or (ii) the period during which the entity has been in existence.*

**D. Specified Insurance company:**

Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

**E. Holding company or treasury company:**

Is an entity that is a holding company or treasury center that is a part of an expanded affiliate group that includes a depository, custodial institution, specified insurance company or investment entity.

**2. Financial Institutions not required to have a GIN:**

Code	Category
01	Governmental Entity, International Organization or Central Bank
02	Treaty Qualified Retirement Fund; a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; or a Pension Fund of a Governmental Entity, International Organization or Central Bank
03	Non-public fund of the armed forces, an employees' state insurance fund, a gratuity fund or a provident fund
04	Entity is an Indian FI solely because it is an investment entity
05	Qualified credit card issuer
06	Investment Advisors, Investment Managers and Executing Brokers
07	Exempt collective investment vehicle
08	Trustee of an Indian Trust
09	FI with a local client base
10	Non-registering local banks
11	FFI with only Low-Value Accounts

12	Sponsored investment entity and controlled foreign corporation
13	Sponsored, Closely Held Investment Vehicle
14	Owner documented FFI

3. **Non-financial Entity (NFFE)** – Any entity that is not a financial institution (including a territory NFFE)

**Types of NFFEs excluded from FATCA reporting are:**

**A. Publicly traded corporation (listed company)**

The stock of such corporation is regularly traded on one or more established securities markets

(Established securities market means an exchange that is officially recognized and supervised by a governmental authority in which the securities market is located and that has a meaningful annual value of shares traded on the exchange).

**B. Related entity of a listed company**

The entity identified is a member of the same expanded affiliate group as an entity the stock of which is regularly traded on an established securities market;

**C. Active NFFE: (is any one of the following):**

Code	Sub-category
01	Less than 50 percent of the NFFE's gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50 percent of the assets held by the NFFE during the preceding financial year or other appropriate reporting period are assets that produce or are held for the production of passive income;
02	The NFFE is a government (other than the U.S. government), a political subdivision of such government (which, for the avoidance of doubt, includes a state, province, county, or municipality), or a public body performing a function of such government or a political subdivision thereof, a government of a U.S. Territory, an international organization, a non-U.S. central bank of issue, or an Entity wholly owned by one or more of the foregoing;
03	Substantially all of the activities of the NFFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an entity shall not qualify for NFFE status if the entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
04	The NFFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFFE shall not qualify for this exception after the date that is 24 months after the date of the initial organization of the NFFE;
05	The NFFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganizing with the intent to continue or recommence operations in a business other than that of a Financial Institution;
06	The NFFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution;
07	<p>Any NFFE is a 'non for profit' organization which meets all of the following requirements:</p> <ul style="list-style-type: none"> <li>o It is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organization, business league, chamber of commerce, labor organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare;</li> <li>o It is exempt from income tax in its jurisdiction of residence;</li> <li>o It has no shareholders or members who have a proprietary or beneficial interest in its income or assets;</li> <li>o The applicable laws of the NFFE's jurisdiction of residence or the NFFE's formation documents do not permit any income or assets of the NFFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFFE has purchased; and</li> </ul> <p>The applicable laws of the NFFE's jurisdiction of residence or the NFFE's formation documents require that, upon the NFFE's liquidation or dissolution, all of its assets be distributed to a governmental entity or other non-profit organization, or escheat to the government of the NFFE's jurisdiction of residence or any political subdivision thereof.</p> <p>Explanation.- For the purpose of this sub-clause, the following shall be treated as fulfilling the criteria provided in the said sub-clause, namely:-</p> <ul style="list-style-type: none"> <li>(I) an Investor Protection Fund referred to in clause (23EA);</li> <li>(II) a Credit Guarantee Fund Trust for Small Industries referred to in clause 23EB; and</li> <li>(III) an Investor Protection Fund referred to in clause (23EC);</li> </ul> <p>of section 10 of the Act;</p>

## 4. Other definitions

### (i) Expanded affiliated group

Expanded affiliated group is defined to mean one or more chains of members connected through ownership (50% or more, by vote or value, as the case may be) by a common parent entity if the common parent entity directly owns stock or other equity interests meeting the requirements in at least one of the other members. Generally, only a corporation shall be treated as the common parent entity of an expanded affiliated group.

### (ii) Passive NFFE

The term passive NFFE means any NFFE:

- (i) that is not an Active NFFE (including publicly traded entities or their related entities); or
- (ii) the gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity; or
- (iii) a withholding foreign partnership or withholding foreign trust pursuant to relevant U.S. Treasury Regulations.

**(Note: Foreign persons having controlling interest in a passive NFFE are liable to be reported for tax information compliance purposes).**

### (iii) Passive income

The term passive income means the portion of gross income that consists of:

- (1) Dividends, including substitute dividend amounts;
- (2) Interest
- (3) Income equivalent to interest, including substitute interest and amounts received from or with respect to a pool of insurance contracts if the amounts received depend in whole or part upon the performance of the pool;
- (4) Rents and royalties, other than rents and royalties derived in the active conduct of a trade or business conducted, at least in part, by employees of the NFFE
- (5) Annuities
- (6) The excess of gains over losses from the sale or exchange of financial assets that gives rise to passive income described in this section
- (7) The excess of gains over losses from transactions (including futures, forwards, and similar transactions) in any financial assets
- (8) The excess of foreign currency gains over foreign currency losses
- (9) Net income from notional principal contracts
- (10) Amounts received under cash value insurance contracts
- (11) Amounts earned by an insurance company in connection with its reserves for insurance and annuity contracts
- (12) Net income from swaps.

But passive income will not include in case of a non-financial entity that acts as a dealer in financial assets, any income from any transaction entered into in the ordinary course of such dealer's business as a dealer.

### (iv) Controlling persons

Controlling persons are natural persons who exercise control over an entity.

In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust. In the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions.

The term "Controlling Persons" shall be interpreted in a manner consistent with the Financial Action Task Force recommendations.

Pursuant to guidelines on identification of Beneficial Ownership issued vide RBI circular no. DBOD.AML.BC. No.71/14.01.001/2012- 13 dated January 18, 2013, persons (other than Individuals) are required to provide details of Beneficial Owner(s) ('BO'). Accordingly, the Beneficial Owner means 'Natural Person', who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest of / entitlements to:

- i. More than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
- ii. More than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
- iii. More than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

Where the client is a trust, the banking company and financial institution, as the case may be, shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

Where no natural person is identified the identity of the relevant natural person who holds the position of senior managing official.

**(v) U.S. Person**

**U.S. Person** means a United States of America citizen or resident individual, a partnership or corporation organized in the United States of America or under the laws of the United States of America or any State thereof, a trust if (i) a court within the United States of America would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more U.S. persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States of America.

**(vi) Specified U.S. person**

A U.S person **other than** the following:

- (i) a corporation the stock of which is regularly traded on one or more established securities markets;
- (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i);
- (iii) the United States or any wholly owned agency or instrumentality thereof;
- (iv) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing;
- (v) any organization exempt from taxation under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code;
- (vi) any bank as defined in section 581 of the U.S. Internal Revenue Code;
- (vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code;
- (viii) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64);
- (ix) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code;
- (x) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code;
- (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State;
- (xii) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or
- (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the U.S. Internal Revenue Code.

**(vii) Direct Reporting NFFE**

Direct reporting NFFE will mean an NFFE that elects to report on Form 8966 directly to the IRS certain information about its direct or indirect substantial U.S. owners, in lieu of providing such information to withholding agents or participating FFIs with which the NFFE holds a financial account

**(viii) Owner documented FFI**

An FFI that meets the following requirements:

- (A) The FFI is an FFI solely because it is an investment entity;
- (B) The FFI is not owned by or related to any FFI that is a depository institution, custodial institution, or specified insurance company;
- (C) The FFI does not maintain a financial account for any non participating FFI;
- (D) The FFI provides the designated withholding agent with all of the documentation and agrees to notify the withholding agent if there is a change in circumstances; and
- (E) The designated withholding agent agrees to report to the IRS (or, in the case of a reporting Model 1 FFI, to the relevant foreign government or agency thereof) all of the information described in or (as appropriate) with respect to any specified U.S. persons and (2).

Notwithstanding the previous sentence, the designated withholding agent is not required to report information with respect to an indirect owner of the FFI that holds its interest through a participating FFI, a deemed-compliant FFI (other than an owner-documented FFI), an entity that is a U.S. person, an exempt beneficial owner, or an excepted NFFE.

**ix) Sponsoring Entity**

The term sponsoring entity means an entity that registers with the IRS and agrees to perform the due diligence, withholding, and reporting obligations of one or more FFIs pursuant to § 1.1471-5(f)(1)(i)(F) or (2)(iii).

**5. Entity Exemption Code for U.S. persons**

Code	Sub-category
A	An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
B	The United States or any of its agencies or instrumentalities
C	A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
D	A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
E	A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)

F	A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
G	A real estate investment trust
H	A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
I	A common trust fund as defined in section 584(a)
J	A bank as defined in section 581
K	A broker
L	A trust exempt from tax under section 664 or described in section 4947(a)(1)
M	A tax exempt trust under a section 403(b) plan or section 457(g) plan

## 6. Entity Constitution Type

Code	Category
00	Partnership Firm
01	HUF
02	Private Limited Company
03	Public Company
04	Society
05	AOP /BOI
06	Trust
07	Liquidator
08	LLP
09	Artificial Juridical person
10	Bank
11	Others

## 7. Controlling Person (UBO) Type/Code

Code	Sub-category	Description
C01	CP of legal person-ownership	Controlling ownership interest of more than: <ul style="list-style-type: none"> <li>• 25% of shares or capital or profits of the juridical person [Investor], where the juridical person is a company;</li> <li>• 15% of the capital or profits of the juridical person [Investor], where the juridical person is a partnership;</li> <li>• 15% of the property or capital or profits of the juridical person [Investor], where the juridical person is an unincorporated association or body of individuals.</li> </ul>
C02	CP of legal person-other means	Natural person exercising control over the juridical person through other means exercised through voting rights, agreement, arrangements or in any other manner [In cases where there exists doubt under UBO-1 to UBO - 3 above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests].
C03	CP of legal person-senior managing official	Natural person who holds the position of senior managing official [In case no natural person cannot be identified as above].
C04	CP of legal arrangement-trust-settlor	
C05	CP of legal arrangement--trust-trustee	
C06	CP of legal arrangement--trust-protector	
C07	CP of legal arrangement--trust-beneficiary	The beneficiaries with 15% or more interest in the trust if they are natural person(s).
C08	CP of legal arrangement--trust-other	Natural person(s) exercising ultimate effective control over the Trust through a chain of control or ownership.
C09	CP of legal arrangement—Other-settlor equivalent	
C10	CP of legal arrangement—Other-trustee equivalent	
C11	CP of legal arrangement— Other-protector equivalent	
C12	CP of legal arrangement—Other-beneficiary equivalent	
C13	CP of legal arrangement—Other-other equivalent	
C14	Unknown	

## INSTRUCTIONS

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1. Application must be completed entirely in English, using BLOCK LETTERS.
2. A signature can be made either in English or in any other Indian language.
3. Application forms duly completed in all respects, together with Cheques/Pay Order/Demand Draft/Electronic Fund Transfer Instructions, must be lodged at the Company's Registered Office.
4. Application Forms 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. Outstation cheques, cash, money orders, postal orders and stock invest will NOT be accepted.
5. As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, the applicant is requested to mention the full particulars of the bank account, as specified in the Application Form.
6. The applicant should mention their Permanent Account Number or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the Application Form in the space provided.
7. The application would be accepted as per the terms of the Issue outlined in the Disclosure Documents.
8. The application form is to be filled along with the FATCA/CRS Declaration, which is enclosed herewith.

**APPLICATION FORM – TRANCHE AT – 2019 (XV)**
**JM FINANCIAL CREDIT SOLUTIONS LIMITED**

CIN - U74140MH1980PLC022644

 (Regd. Office: 7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025)

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

Email: hemant.pandya@jmfl.com / investorrelations.csl@jmfl.com

Contact Person: Mr. Hemant Pandya, Company Secretary

**PRIVATE PLACEMENT OF UPTO 500 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (“*TRANCHE AT DEBENTURES*” OR “*TRANCHE AT NCDs*”) OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) EACH FOR CASH AGGREGATING UPTO RS. 50,00,00,000/- (RUPEES FIFTY CRORE ONLY) TO BE ISSUED UNDER THE DISCLOSURE DOCUMENT DATED AUGUST 16, 2019 (“DD”) AS AMENDED / SUPPLEMENTED FROM TIME TO TIME**

<b>TRANCHE AT DEBENTURE APPLICATION FORM SERIAL NO.</b>		0	0	2
<b>TRANCHE AT – 2019 (XV)</b>		<b>TRANCHE AT – 2019 (XV)</b>		
<b>Opens on: August 22, 2019</b>		<b>Closes on: August 22, 2019</b>		

<b>Options Applied</b>	I	II
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Dear Sirs,

I/We have read and understood the terms and conditions of the issue of Tranche AT Debentures and all the information contained in the DD (“**Disclosure Documents**”) including in particular the Risk Factors described in the DD and have considered these in making my/our decision to apply. I/We bind myself/ourselves to the said terms and conditions and wish to apply for allotment of the Tranche AT Debentures. I/We request you to please place my/our name(s) on the Register of Tranche AT Debenture holders. The amount payable on application as shown below is remitted herewith and is paid from my own (first/sole applicant) bank account. I/We note that the Company is entitled in its absolute discretion, to accept or reject this application in whole, or in part, without assigning any reason whatsoever.

**(PLEASE READ THE INSTRUCTIONS ON THE LAST PAGE CAREFULLY BEFORE FILLING THIS APPLICATION FORM)**

*All capitalized terms used in this application form which are not defined shall have the meaning attributed to them in the Disclosure Documents.*

The application shall be for a minimum of 10 (Ten) Tranche AT NCDs and in multiples of 1 (one) thereafter
<b>No. of Tranche AT NCDs applied for (in figures)</b>
<b>No. of Tranche AT NCDs applied for (in words)</b>
<b>Amount (Rs.) (in figures)</b>
<b>Amount (Rs.) (in words)</b>

**DETAILS OF PAYMENT:**

Cheque / Demand Draft Amount (Rs. in figures): \_\_\_\_\_

Cheque / Demand Draft Amount (Rs. in words): \_\_\_\_\_

Date of Cheque / Demand Draft: \_\_\_\_\_

Cheque / Demand Draft No.: \_\_\_\_\_

Cheque / Demand Draft Drawn on (Name of Bank and Branch): \_\_\_\_\_

*(Note: Cheque and Drafts are subject to realisation)*

**Funds transferred to JM FINANCIAL CREDIT SOLUTIONS LIMITED**

Mode of Transfer (RTGS / NEFT / ECS / NACH / Direct Credit etc.): \_\_\_\_\_

Date of Transfer: \_\_\_\_\_

Total Amount Transferred:

(Rs. in figures) \_\_\_\_\_

(Rs. in words) \_\_\_\_\_

The payment is to be made through any electronic mode of payment such as RTGS / NEFT, the funds have to be credited to the any of Designated Bank Accounts of ICCL, the details of which are as follows:

Bank	ICICI Bank	YES Bank	HDFC Bank
Beneficiary Name	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd
Beneficiary Account No.	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060

I/We confirm that the amount paid on application has been remitted from the bank account of the First Applicant of the Debentures.

FIRST/SOLE APPLICANT'S NAME IN FULL (CAPITALS)												SPECIMEN SIGNATURE	
PAN / GIR No. / NOT ALLOTTED						IT Circle / Ward / District							

SECOND APPLICANT'S NAME IN FULL (CAPITALS)												SPECIMEN SIGNATURE	
PAN / GIR No. / NOT ALLOTTED						IT Circle / Ward / District							

THIRD APPLICANT'S NAME IN FULL (CAPITALS)												SPECIMEN SIGNATURE	
PAN / GIR No. / NOT ALLOTTED						IT Circle / Ward / District							

**FIRST/SOLE APPLICANT'S COMPLETE ADDRESS (Post Box No. alone is not sufficient)**

PIN			PHONE			FAX							

**FIRST/SOLE APPLICANT'S BANK DETAILS**

Bank Name	
Bank Branch	
Branch City	
Nature of Account	
Account No.	
MICR Code	
RTGS Code	
IFSC Code	
Email id	

**I/WE ARE APPLYING AS:**  COMPANY  INDIVIDUAL  MUTUAL FUND  
 OTHERS SPECIFY \_\_\_\_\_

**I/WE CONFIRM RESIDENTIAL STATUS AS INDIAN**

**TAX STATUS:** NON EXEMPT  EXEMPT  (IF EXEMPT PLEASE SPECIFY) \_\_\_\_\_  
 (IF EXEMPT, PLEASE PROVIDE SUPPORTING DOCUMENTS FROM INCOME TAX AUTHORITIES)

**I / WE CONFIRM** that the amount paid on application has been remitted from the bank account of the First Applicant of the Debentures.

**TO BE FILLED IN ONLY IF THE APPLICANT IS AN INSTITUTION / COMPANY / BODY CORPORATE (INCLUDING SOCIETY)**

	Name of the Authorised Signatory(ies)	Designation	Signature
1			
2			
3			

I/We, the undersigned, are agreeable to holding the Tranche AT NCDs of the Company in dematerialised form. Details of my/our Beneficiary Account are given below:

<b>DEPOSITORY</b>	
<b>DEPOSITORY PARTICIPANT NAME</b>	
<b>DP-ID</b>	
<b>BENEFICIARY CLIENT ID</b>	
<b>NAME OF THE APPLICANT(S)</b>	

I/We understand that: i) in case of allotment of Tranche AT Debentures to me/us, my/our Beneficiary Account as mentioned above would get credited to the extent of allotted Tranche AT Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with the Depository Participant, iii) if the names of the Applicant(s) in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Tranche AT Debentures cannot be credited to my/our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application.

I/We confirm that I/We have for the purpose of investing in these Tranche AT Debentures carried out my/our own due diligence and made my/our own decisions with respect to investment in these Tranche AT Debentures and have not relied on any representations made by anyone other than those contained in the Disclosure Documents. I/We confirm that we have not been debarred from accessing the capital market or have been restrained by any regulatory authority from directly or indirectly acquiring the said securities.

I / We understand that the Company may communicate to or intimate me / us only by e-mail or facsimile message and I / we undertake to accept the same as a valid communication or intimation as if such communication or intimation had been otherwise hand delivered or delivered by registered post or courier. I / We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), I / We shall convey all the terms and conditions contained herein and in the Disclosure Documents to such Transferee. I / We shall indemnify the Company for all claims arising out of or as a consequence of us not conveying to the Transferee all the terms and conditions contained herein and in the Disclosure Documents.

Sole/First Applicant's

Second Applicant's

Third Applicant's

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Signature

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Signature

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Signature

**FOR OFFICE USE ONLY**

DATE OF RECEIPT \_\_\_\_\_ DATE OF CLEARANCE \_\_\_\_\_

**ACKNOWLEDGMENT SLIP****JM FINANCIAL CREDIT SOLUTIONS LIMITED**

CIN - U74140MH1980PLC022644

(Regd. Office: 7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025)

Tel : (022) 6630 3030 Fax : (022) 6630 3223 Email: hemant.pandya@jmfl.com

Contact Person: Mr. Hemant Pandya, Company Secretary

**PRIVATE PLACEMENT OF UPTO 500 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (“TRANCHE AT DEBENTURES” OR “TRANCHE AT NCDS”) OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) EACH FOR CASH AGGREGATING UPTO RS. 50,00,00,000/- (RUPEES FIFTY CRORE ONLY) TO BE ISSUED UNDER THE DISCLOSURE DOCUMENT DATED AUGUST 16, 2019 (“DD”) AT AMENDED / SUPPLEMENTED FROM TIME TO TIME**

*(To be filled in by Applicant)*

TRANCHE AT DEBENTURE APPLICATION FORM SERIAL NO.	0	0	2
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TRANCHE AT – 2019 (XV) Opens on: August 22, 2019 Options Applied	I	II
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Received from \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

Cheque/Draft # \_\_\_\_\_ Drawn on (Bank & Branch) \_\_\_\_\_  
/ Electronic Fund Transfer from (Bank & Branch) \_\_\_\_\_  
for Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only)  
on account of application for \_\_\_\_\_ Tranche AT  
Debentures.

**FATCA/CRS Declaration for Individual Account**  
**(To be filled along with Application Form)**

<b>Client Name:</b>		
<b>Client PAN</b>		
<b>Place of Birth:</b>		
<b>Country of Birth:</b>		
<b>Nationality:</b>		
<b>Do you satisfy any of the criteria mentioned below:</b>		
<b>a. Citizen of any country other than India (including Dual/Multiple/ Holding Green Card)?</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b. Tax Resident of ANY country/ies other than India?</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>c. POA or mandate holder who has an address outside India</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>d. Address and/or telephone number is of outside India</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>If answer to the question "b" above is "Yes", please provide the following information [mandatory], else directly go to declaration &amp; acknowledgement.</b>		
<b>Please indicate all countries in which you are resident for tax purposes and the associated Tax Reference Numbers below:</b>		
<b>Country of Tax Residency 1</b>		
<b>Tax Payer Ref. ID No. 1</b>		
<b>Identification Type 1 (TIN or other, please specify)</b>		
<b>Country of Tax Residency 2</b>		
<b>Tax Payer Ref. ID No. 2</b>		
<b>Identification Type 2 (TIN or other, please specify)</b>		

**Declaration & Acknowledgement**

1. I hereby certify that I have declared my status as per the applicable FATCA/CRS rules in India as notified by Government of India (GOI)/ Central Board of Direct Taxes (CBDT) / Securities and Exchange Board of India (SEBI) / Reserve Bank Of India (RBI).
2. I certify that (i) I am taxable as a (U.S.) person under the laws of the United States of America or any state or political subdivision thereof or therein, including the District of Columbia or any other states of the U.S., (ii) an estate the income of which is subject to U.S. federal income tax regardless of the source thereof. (This clause is applicable only if the account holder is identified as a U.S. person)
3. I certify that (i) I am an applicant taxable as a tax resident under the laws of country outside India. (This clause is applicable only if the account holder is a tax resident outside India)
4. I acknowledge and confirm that the information provided above is true and correct to the best of my knowledge and belief and that I have not withheld any material information/document, that may affect the assessment/categorization of the account as a US Reportable account/Other Reportable account or otherwise.
5. In case any of the above specified information is found to be false or untrue or misleading or misrepresenting, I am aware that I may liable for it.
6. I undertake the responsibility to declare, disclose and recertify within 30 days any changes that may take place in the information provided in the account opening form, and signed by me as well as in the documentary evidence provided by me or if any certification becomes incorrect.
7. I hereby authorize you to disclose, share, remit in any form, mode or manner, all / any of the information provided by me, including all changes, updates to such information as and when provided by me to any Indian or foreign governmental or statutory or judicial authorities / agencies including but not limited to the Financial Intelligence Unit-India (FIU-IND), the tax / revenue authorities in India or outside India wherever it is legally required and other investigation agencies without any obligation of advising me of the same.
8. I also agree that my failure to disclose any material fact known to me now or in future, may invalidate my application and the Financial Institution (FI) would be within its right to put restrictions in the operations of my account or take appropriate action permissible under the Indian regulations for the purpose or take any other action as may deemed appropriate if the deficiency is not

- updated /rectified by me within the stipulated period.
9. I agree to furnish any particular/ information that is called upon me by the FI on account of any change to law either in India or abroad in the subject matter herein.
  10. In the event there is any tax demand (including interest (if any)) raised due to non-disclosure/inaccurate disclosure of information/document on my part, I undertake to pay the demand forthwith and provide the FI with all information/documents that may be necessary for any proceedings before GOI/RBI/SEBI/income tax Authorities.
  11. I permit/authorize the FI to collect, store, communicate and process information relating to my account with them and all transactions therein, by the FI and any of its affiliates wherever situated including sharing, transfer and disclosure between them and to the authorities in and/or outside India of any confidential Information for compliance with any law or regulation whether domestic or foreign.
  12. I also understand that the account will be reported if any one of the aforesaid FATCA / CRS criteria for any of the account holders i.e. primary or joint (in case of demat account) are met.

**Signature of Client**

**FATCA / CRS Terms & Conditions**

The Central Board of Direct Taxes has notified Rules 114F to 114H, as part of the Income-tax Rules, 1962, which Rules require Indian Financial Institutions to seek additional personal, tax and beneficial owner information and certain certifications and documentation from all our account holders. In relevant cases, information will have to be reported to tax authorities / appointed agencies. Towards compliance, we may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto.

Towards compliance with tax information sharing laws, such as FATCA and CRS, we would be required to seek additional personal, tax and beneficial owner information and certain certifications and documentation from our account holders. Such information may be sought either at the time of account opening or any time subsequently. As may be required by domestic or overseas regulators/ tax authorities, we may also be constrained to withhold and pay out any sums from your account or close or suspend your account(s).

Should there be any change in any information provided by you, please ensure you advise us promptly, i.e., within 30 days from the occurrence of the change in information.

If you have any questions about your tax residency, please contact your tax advisor. If you are a US citizen or resident or green card holder, please include United States in the foreign country information field along with the US Tax Identification Number.

Foreign Account Tax Compliance provisions (commonly known as FATCA) are contained in the US Hire Act 2010.

In case customer has the following Indicia pertaining to a foreign country and yet declares self to be non-tax resident in the respective country, customer to provide relevant Curing Documents as mentioned below:

<b>FATCA &amp; CRS Indicia observed (ticked)</b>	<b>Documentation required for Cure of FATCA / CRS indicia</b>
U.S. Place of Birth	<ol style="list-style-type: none"> <li>1. Self-certification that the account holder is neither a citizen of United States of America nor a resident for tax purposes;</li> <li>2. Non-US passport or any non-US government issued document evidencing nationality or citizenship (refer list below) AND</li> <li>3. Any one of the following documents: <ul style="list-style-type: none"> <li>• Certified Copy of “Certificate of Loss of Nationality”; or</li> <li>• Reasonable explanation of why the customer does not have such a certificate despite renouncing citizenship; or</li> <li>• Reason the customer did not obtain U.S. citizenship at birth</li> </ul> </li> </ol>
Residence/mailing address in a country other than India	<ol style="list-style-type: none"> <li>1. Self-certification that the account holder is neither a citizen of United States of America nor a resident of any other country other than India; and</li> <li>2. Documentary evidence (refer list below)</li> </ol>
Telephone number in a country other than India	<p><b>Whether Indian telephone number is provided or not provided along with a foreign country telephone number</b></p> <ol style="list-style-type: none"> <li>1. Self-certification that the account holder is neither a citizen of United States of America nor a resident of any other country other than India; <b>and</b></li> <li>2. Documentary evidence (refer list below)</li> </ol>

List of acceptable **documentary evidence** needed to establish the residence(s) for tax purposes:

1. Certificate of residence issued by an authorised Government body \*
  2. Valid Identification issued by authorised Government body \* (e.g., Passport, National Identity Card, etc.)
- \* **Government or agency thereof or a municipality of the country or territory in which the payee claims to be a resident.**

## INSTRUCTIONS

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1. Application must be completed entirely in English, using BLOCK LETTERS.
2. A signature can be made either in English or in any other Indian language.
3. Application forms duly completed in all respects, together with Cheques/Pay Order/Demand Draft/Electronic Fund Transfer Instructions, must be lodged at the Company's Registered Office.
4. Application Forms 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. Outstation cheques, cash, money orders, postal orders and stock invest will NOT be accepted.
5. As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, the applicant is requested to mention the full particulars of the bank account, as specified in the Application Form.
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8. The application form is to be filled along with the FATCA/CRS Declaration, which is enclosed herewith.