



## JM FINANCIAL PRODUCTS LIMITED

JM Financial Products Limited (our "Company") was originally incorporated at Mumbai, Maharashtra as a private limited company on July 10, 1984 under the provisions of the Companies Act, 1956 with registration number 33397 of 1984 and with the name "JM. Lease Consultants Private Limited". By virtue of section 43A of the Companies Act, 1956 our Company became a deemed public company with the name "JM Lease Consultants Limited" and received a certificate of incorporation dated July 15, 1992 from the Registrar of Companies, Mumbai, Maharashtra. Our Company further became a private limited company with effect from August 17, 2001. Subsequently, by way of a fresh certificate of incorporation dated June 10, 2005 issued by the Registrar of Companies, Mumbai, Maharashtra, our Company's name was changed to "JM Financial Products Private Limited". Our Company was converted into a public limited company with the name "JM Financial Products Limited" and received a fresh certificate of incorporation consequent to change in status on June 28, 2010 from the Registrar of Companies, Mumbai, Maharashtra. Our Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, bearing registration no. B - 13.00178 dated March 2, 1998. For further details regarding changes to the name and registered office of our Company, see section titled "History and Main Objects" on page 109 of the Shelf Prospectus.

**Corporate Identity Number** of our Company is U74140MH1984PLC033397  
**Registered and Corporate Office:** 7th Floor, Chenergy, Appasaheb Marathe Marg Prabhadevi, Mumbai, Maharashtra 400 025, India  
**Tel:** (+91 022) 6630 3030; **Fax:** (+91 022) 6630 3223; **Website:** www.jmfinancialproducts.com; **Email:** investorrelations.products@jmfpl.com  
**Company Secretary and Compliance Officer:** Mr. Rupesh Samani; **Tel:** (+91 22) 6630 3030; **Fax:** (+91 22) 6630 3223; **Email:** investorrelations.products@jmfpl.com

**PUBLIC ISSUE BY JM FINANCIAL PRODUCTS LIMITED, ("COMPANY" OR THE "ISSUER") BY WAY OF THIS TRANCHE II ISSUE OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE ₹ 1,000 EACH ("SECURED NCDs") WITH A BASE ISSUE SIZE OF ₹ 100 CRORES WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹ 400 CRORES, AGGREGATING UP TO ₹ 500 CRORES ("RESIDUAL SHELF LIMIT") ("TRANCHE II ISSUE") WHICH IS WITHIN THE SHELF LIMIT OF ₹ 2,000 CRORES.**

**THIS TRANCHE II ISSUE IS BEING MADE PURSUANT TO THE TERMS AND CONDITIONS OF THIS TRANCHE II PROSPECTUS ("TRANCHE II PROSPECTUS"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED APRIL 11, 2019 ("SHELF PROSPECTUS") FILED WITH THE REGISTRAR OF COMPANIES, MAHARASHTRA, MUMBAI ("ROC"), THE DESIGNATED STOCK EXCHANGE AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") UNDER THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED (THE "SEBI DEBT REGULATIONS") AND THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED. THE TRANCHE II ISSUE IS A PART OF THE PUBLIC ISSUE BY THE ISSUER OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH AND/OR UNSECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH, ("NCDs") FOR AN AMOUNT AGGREGATING UP TO ₹ 2,000 CRORES ("SHELF LIMIT"). THE SHELF PROSPECTUS AND THIS TRANCHE II PROSPECTUS CONSTITUTE THE PROSPECTUS ("PROSPECTUS").**

**PROMOTER**  
 Our Promoter is JM Financial Limited. For further details refer to the chapter "Our Promoter" on page 123 of the Shelf Prospectus.

**GENERAL RISK**  
 Investors are advised to read the Risk Factors carefully before taking an investment decision in the Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer and this Tranche II Issue including the risks involved. Specific attention of the investors is invited to the section titled "Risk Factors" on page 12 of the Shelf Prospectus and "Material Developments" on page 145 of the Shelf Prospectus and on page 24 of this Tranche II Prospectus before making an investment in this Tranche II Issue. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Registrar of Companies at Maharashtra ("RoC") or any stock exchange in India.

**ISSUER'S ABSOLUTE RESPONSIBILITY**  
 The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Tranche II Prospectus read together with the Shelf Prospectus for this Tranche II Issue contains all information with regard to the Issuer and this Tranche II Issue, which is material in the context of this Tranche II Issue. The information contained in this Tranche II Prospectus read together with the Shelf Prospectus for this Tranche II Issue is true and correct in all material respects and is not misleading in any material respect and that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Tranche II Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**CREDIT RATING**  
 The NCDs have been rated [ICRA] AA (Stable) by ICRA for an amount of upto ₹ 2,000 crores vide its letter dated January 9, 2019 and further revaluated on July 24, 2019, and have been rated "CRISIL AA/STABLE" by CRISIL for an amount upto ₹ 2,000 crores vide its letter dated January 03, 2019 which has been revaluated on July 30, 2019. The rating of the NCDs by ICRA and CRISIL indicates high degree of safety regarding timely servicing of financial obligations. The rating provided by ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to pages 282 to 306 of this Tranche II Prospectus for rating letters and rationale for the above ratings.

**PUBLIC COMMENTS**  
 The Draft Shelf Prospectus dated February 1, 2019 was filed with the BSE Limited ("BSE") pursuant to the provisions of the SEBI Debt Regulations and was open for public comments for a period of 7 (seven) Working Days from the date of filing of the Draft Shelf Prospectus with the Designated Stock Exchange until 5:00 p.m. on February 8, 2019.

**LISTING**  
 The Secured NCDs offered through this Tranche II Prospectus are proposed to be listed on the BSE. For the purposes of the Issue, BSE shall be the Designated Stock Exchange. Our Company has received an in-principle approval from BSE vide their letter no. DCS/BM/PI-BOND/28/18-19 dated February 8, 2019.

**COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT & ELIGIBLE INVESTORS**  
 For details relating to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the Secured NCDs, see section titled "General Terms of the Issue" starting on page 85 of this Tranche II Prospectus. For details relating to eligible investors please see "The Issue" on page 68 of this Tranche II Prospectus.

**LEAD MANAGERS TO THE ISSUE**

**REGISTRAR TO THE ISSUE**

**DEBENTURE TRUSTEE\*\***



**A. K. Capital Services Limited**  
 30-38, Free Press House  
 3<sup>rd</sup> Floor, Free Press Journal Marg 215,  
 Nariman Point, Mumbai 400 021  
**Tel:** (+91 22) 6754 6500  
**Fax:** (+91 22) 6610 0594  
**Email:** jmproducts2019@akgroup.co.in  
**Investor Grievance Email:**  
 investor.grievance@akgroup.co.in  
**Website:** www.akgroup.co.in  
**Contact Person:** Mr. Krish Sanghvi /  
 Mr. Malay Shah  
**Compliance Officer:** Mr. Tejas Davda  
**SEBI Registration No.:** INM000010411

**JM Financial Limited\*\*\***  
 7<sup>th</sup> Floor, Chenergy  
 Appasaheb Marathe Marg Prabhadevi,  
 Mumbai - 400 025  
**Tel:** (+91 22) 6630 3030  
**Fax:** (+91 22) 6630 3330  
**Email:** jmfpl.ncd2018@jmfpl.com  
**Investor Grievance Email:**  
 grievance.ibd@jmfpl.com  
**Website:** www.jmfpl.com  
**Contact Person:** Ms. Prachee Dhuri  
**Compliance Officer:** Mr. Sunny Shah  
**SEBI Registration No.:** INM000010361

**Trust Investment Advisors Private Limited**  
 109/110, Balarama, Bandra Kurla  
 Complex, Bandra (E), Mumbai 400 051  
**Tel:** (+91 22) 4084 5000  
**Fax:** (+91 22) 4084 5007  
**Email:** project.paris@trustgroup.in  
**Investor Grievance Email:**  
 customercare@trustgroup.in  
**Website:** www.trustgroup.in  
**Contact Person:** Ms. Hani Jalan  
**Compliance Officer:** Mr. Ankur Jain  
**SEBI Registration No.:** INM000011120

**Karvy Fintech Private Limited (Formerly known as KCPL Advisory Services Private Limited)**  
 Karvy Selenium Tower B, Plot 31-32,  
 Gachibowli Financial District,  
 Nanakramguda, Hyderabad 500 032  
**Tel:** (+91 40) 6716 2222  
**Fax:** (+91 40) 2343 1551  
**Email:** jmfpl.ncd1@karvy.com  
**Investor Grievance Email:**  
 einward.ris@karvy.com  
**Website:** www.karvyfintech.com  
**Contact Person:** Mr. Murali Krishna  
**Compliance Officer:** Mr. Rakesh  
 Santhalia  
**SEBI Registration No.:** INR000000221

**IDBI Trusteeship Services Limited\*\***  
 Asian Building, Ground Floor, 17,  
 R. Kamani Marg, Ballard Estate,  
 Mumbai 400 001  
**Tel:** (+91 22) 4080 7000  
**Fax:** (+91 22) 6631 1776  
**Email:** itsl@idbitrustee.com  
**Investor Grievance Email:**  
 response@idbitrustee.com  
**Website:** www.idbitrustee.com  
**Contact Person:** Mr. Dinesh Jain  
**Compliance Officer:** Mr. Jatin  
 Bhatt  
**SEBI Registration No.:** IND000000460

### ISSUE PROGRAMME\*

**TRANCHE II ISSUE OPENS ON AUGUST 6, 2019**

**TRANCHE II ISSUE CLOSES ON SEPTEMBER 4, 2019**

\*This Tranche II Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated above, except that this Tranche II Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("Board") or the NCD Public Issue Committee. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors in all those newspapers in which an advertisement for opening or closure of this Tranche II Issue has been given on or before such earlier or initial date of Tranche II Issue closure. Applications Forms for this Tranche II Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Tranche II Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

\*\*IDBI Trusteeship Services Limited under regulation 4(4) of the SEBI Debt Regulations has by its letter dated July 24, 2019 given its consent for its appointment as Debenture Trustee to the Tranche II Issue and for its name to be included in the Tranche II Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Tranche II Issue.

\*\*\*In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with Regulation 23(3) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, JM Financial Limited will be involved only in marketing of the Issue.

A copy of the Shelf Prospectus was filed with the Registrar of Companies, Maharashtra in Mumbai, in terms of Section 26 and 31 of the Companies Act, 2013, along with the endorsed/certified copies of all requisite documents on April 11, 2019 and a copy of this Tranche II Prospectus shall be filed with the Registrar of Companies, Maharashtra in Mumbai, in terms of Section 26 and 31 of the Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the section titled "Material Contracts and Documents for Inspection" beginning on page 142 of this Tranche II Prospectus.

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## SECTION I: GENERAL

### DEFINITIONS / ABBREVIATIONS

#### Company related terms

Term	Description
“We”, “us”, “our”, “the Company”, “our Company” and “Issuer”	JM Financial Products Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai, Maharashtra 400 025, India.
AOA/Articles / Articles of Association	Articles of Association of our Company, as amended from time to time.
Astute	M/s. Astute Investments, a partnership firm of JM Financial Services Limited and JM Financial Commtrade Limited for the year 2015.
Astute Financial Statements	The reformatted standalone statement of assets and liabilities and the related reformatted standalone statement of profit and loss and cash flow statement of Astute as at and for the year ended March 31, 2015 as examined by the Astute Auditors.
Astute Auditors	Deloitte Haskins & Sells LLP, Chartered Accountants.
Audited Financial Results	The audited financial results comprising of the statement of assets and liabilities, the related standalone statement of profit and loss and cash flow statement of our Company as at and for the year ended March 31, 2019 as examined by the Statutory Auditors of our Company.
Board / Board of Directors	The Board of Directors of our Company and includes any Committee constituted thereof, from time to time.
Category I	(a) Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; (b) Provident funds and pension funds with a minimum corpus of ₹ 25 crores, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; (c) Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; (d) Resident Venture Capital Funds registered with SEBI; (e) Insurance companies registered with the IRDA; (f) State industrial development corporations; (g) Insurance funds set up and managed by the army, navy, or air force of the Union of India; (h) Insurance funds set up and managed by the Department of Posts, the Union of India; (i) Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 500 crores as per the last audited financial statements; (j) National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and (k) Mutual funds registered with SEBI.
Category II	(a) Companies within the meaning of Section 2(20) of the Companies Act, 2013; (b) Statutory bodies/corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; (c) Co-operative banks and regional rural banks; (d) Trusts including Public/private charitable/religious trusts which are authorised to invest in the NCDs; (e) Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; (f) Partnership firms in the name of the partners; (g) Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); (h) Association of Persons; and (i) Any other incorporated and/ or unincorporated body of persons.
Category III	High Net-worth Individual Investors (“HNIs”) - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above INR 1,000,000 across all Series of NCDs in the Issue
Category IV	Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including INR 1,000,000 across all Series of NCDs in the Issue.
Equity Shares	Equity shares of face value ₹10 each of our Company.
Group Companies	(a) JM Financial Services Limited; (b) JM Financial Commtrade Limited; (c) JM Financial Properties and Holdings Limited; (d) CR Retail Malls (India) Limited; (e) JM Financial Institutional Securities Limited (formerly known as JM Financial Securities Limited); (f) JM Financial Capital Limited; (g) JM Financial Credit Solutions Limited; (h) JM Financial Asset Reconstruction Company Limited; (i) J.M. Financial & Investment Consultancy Services Private Limited; (j) JSB Securities Limited; and (k) JM Financial Asset Management Limited; and (l) Infinite India Investment Management Limited.
JMFCL	JM Financial Commtrade Limited, step down subsidiary of our Company for the years 2014 and 2015.
JMFCL Auditors	M/s. Khimji Kunverji & Co., LLP (formerly known as M/s. Khimji Kunverji & Co.)
JMFCL Standalone Financial	The reformatted standalone statement of assets and liabilities and the related reformatted standalone statement of profit and loss and cash flow statement of JMFCL as at and for the years ended March 31, 2014 and 2015 as examined by the JMFCL Auditors.

Term	Description
Statements	
JMFSL	JM Financial Services Limited, subsidiary of our Company for the years 2014 and 2015.
JMFSL Auditors	Deloitte Haskins & Sells LLP, Chartered Accountants
JMFSL Standalone Financial Statements	The reformatted standalone statement of assets and liabilities and the related reformatted standalone statement of profit and loss and cash flow statement of JMFSL as at and for the years ended March 31, 2014 and 2015 as examined by the JMFSL Auditors.
JMFHL Subsidiary	JM Financial Home Loans Limited, a public limited company incorporated under the Companies Act, 2013 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai, Maharashtra 400 025, India.
JMFHL Auditors	Deloitte Haskins & Sells, LLP, Chartered Accountants
JMFHL Audited Ind AS Financial Statements	The standalone statement of assets and liabilities and the related standalone statement of profit and loss and cash flow statement of JMFHL as at and for the year ended March 31, 2019 prepared in accordance with Ind AS.
JMFHL Special Purpose Unaudited Interim Financial Information	The special purpose unaudited interim financial information for the three months period ended June 30, 2019 of JMFHL prepared in accordance with Ind AS.
KMP/Key Managerial Personnel	Key Managerial Personnel, as defined under the Companies Act, 2013, Section 2(51) as under:  <i>“key managerial personnel”, in relation to a company, means -</i> <i>i. the Chief Executive Officer or the managing director or the manager;</i> <i>ii. the company secretary;</i> <i>iii. the whole-time director;</i> <i>iv. the Chief Financial Officer; and</i> <i>v. such other officer not more than one level below the directors who is in whole-time employment designed as key managerial personnel by the Board; and such other officer as may be prescribed”</i>
Unaudited Financial Results	The unaudited standalone financial results for the three months period ended June 30, 2019 of our Company prepared in accordance with Ind AS.
Memorandum / MOA	Memorandum of Association of our Company, as amended from time to time.
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934.
NCD Public Issue Committee Promoter	The Committee constituted by our Board of Directors vide board resolution dated October 24, 2018 and July 11, 2019 and as re-constituted from time to time. JM Financial Limited
Audited Financial Statements	The audited standalone financial statements comprising the statement of assets and liabilities, the statement of profit and loss and cash flow statement of our Company, as at, and for the year, ended March 31, 2019, as examined by the Statutory Auditors of our Company and prepared in accordance with Ind AS.
ROC	The Registrar of Companies, Maharashtra, Mumbai
₹/ Rs./ INR/ Rupees	The lawful currency of the Republic of India.
Statutory Auditors	The current statutory auditors of our Company, M/s. Khimji Kunverji & Co. LLP, Chartered Accountants, (formerly known as M/s. Khimji Kunverji & Co.) Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013.

## Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing salient features of the Shelf Prospectus and this Tranche II Prospectus.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment / Allotted	Unless the context otherwise requires, the allotment of the Secured NCDs pursuant to the Issue to the Allottee(s).
Allottee(s)	The successful applicant to whom the Secured NCDs will be allotted.
Applicant / Investor	The person who applies for issuance and Allotment of Secured NCDs pursuant to the terms of the Shelf Prospectus, this Tranche II Prospectus and Abridged Prospectus and the Application Form for this Tranche II Issue.
Application / ASBA Application	An application for Allotment of Secured NCDs offered pursuant to this Tranche II Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account.
Application Amount	The aggregate value of the Secured NCDs applied for, as indicated in the Application Form for this Tranche II Prospectus.

Term	Description
Application Form / ASBA Form	The form in terms of which the Applicant shall make an offer to subscribe to the Secured NCDs through the ASBA process, in terms of the Shelf Prospectus and this Tranche II Prospectus.
ASBA or “Application Supported by Blocked Amount”	The Application in terms of which the Applicant shall make an Application by authorising SCSB to block the Application Amount in the specified bank account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of an Applicant.
Base Issue	₹ 100 crores.
Basis of Allotment	The basis on which Secured NCDs will be allotted to Applicant under this Tranche II Issue and which is described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 125 of this Tranche II Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges at <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a>
Call	Subject to compliance with applicable laws, in case of Series III and IV Secured NCDs, call may be exercised by our Company at any date after the expiry of 36 months from the Deemed Date of Allotment.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Collecting Depository Participant or CDP	A Depository Participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in the Issue, at the Designated CDP Locations.
Credit Rating Agencies	For the present Issue, the credit rating agencies being, ICRA and CRISIL.
Coupon Rate / Interest Rate	The aggregate rate of interest payable in connection with the Secured NCDs in accordance with the Shelf Prospectus and this Tranche II Prospectus. For further details, please refer to “ <i>Issue Related Information</i> ” on page 85 of this Tranche II Prospectus.
CRISIL	CRISIL Limited.
Debt Application Circular	Circular no. CIR/IMD/DF-1/20/2012 issued by SEBI on July 27, 2012 and Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018.
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of debt securities of our Company.
Debenture Trust Deed	The trust deed dated May 20, 2019 executed by our Company and the Debenture Trustee for creating the security over the Secured NCDs issued under the Issue and to protect the interest of Secured NCD Holders under the Issue.
Demographic Details	Details of the investor such as address, bank account details and occupation, which are based on the details provided by the Applicant in the Application Form.
Deemed Date of Allotment	The date on which the Allotment Committee of the Board approves the Allotment of the Secured NCDs for the Tranche II Issue or such date as may be determined by the Board of Directors or the NCD Public Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of Secured NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the Secured NCDs including interest on Secured NCDs shall be available to the Debenture holders from the Deemed Date of Allotment.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL).
DP / Depository Participant	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of SCSBs which shall collect the Applications and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange at <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Date	The date on which the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Account in terms of the Shelf Prospectus, this Tranche II Prospectus and the Public Issue Account Agreement.
Designated Intermediaries	The Members of the Syndicate, SCSBs, Trading Members, RTAs and CDPs who are authorized to collect Application Forms from the Applicants, in relation to the Issue.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange at <a href="http://www.bseindia.com">www.bseindia.com</a>

Term	Description
Designated Stock Exchange	BSE i.e. BSE Limited
Draft Shelf Prospectus	The Draft Shelf Prospectus dated February 1, 2019 filed with the Designated Stock Exchange for receiving public comments and with SEBI in accordance with the provisions of the Act/relevant provisions of the Companies Act, 2013 applicable as on the date of the Draft Shelf Prospectus and the SEBI Debt Regulations.
ICRA	ICRA Limited
Interest Payment Date / Coupon Payment Date	The dates on which interest/coupon on the Secured NCDs shall fall due for payment as specified in this Tranche II Prospectus. Please see the section titled “ <i>Terms of the Issue – Interest and Payment of Interest</i> ” on page 98 of this Tranche II Prospectus.
Issue	Public issue by our Company of Secured NCDs and/or Unsecured NCDs, for an amount aggregating upto ₹ 2,000 crores. The Unsecured NCDs will be in the nature of subordinated debt and will be eligible for inclusion as Tier II capital.
Issue Agreement	Agreement dated January 24, 2019 and further amended by amendment agreement dated July 30, 2019 entered into by our Company and the Lead Managers.
JMFL or JM Financial	JM Financial Limited
Lead Brokers	<ul style="list-style-type: none"> <li>• JM Financial Services Limited</li> <li>• A. K. Stockmart Private Limited</li> <li>• Trust Financial Consultancy Services Private Limited</li> <li>• Trust Securities Services Private Limited</li> <li>• HDFC Securities Limited</li> <li>• ICICI Securities Limited</li> <li>• Axis Capital Limited</li> <li>• IIFL Securities Limited</li> <li>• Integrated Enterprises (India) Private Limited</li> <li>• Karvy Stock Broking Limited</li> <li>• SMC Global Securities Limited</li> <li>• Kotak Securities Limited</li> <li>• Edelweiss Securities Limited</li> <li>• Tipsons Stock Brokers Limited</li> </ul>
Lead Broker Agreement	Agreement dated July 30, 2019 entered into amongst our Company, the Lead Managers and the Lead Brokers in relation to this Tranche II Issue on the terms and conditions contained therein.
Lead Managers	A. K. Capital Services Limited, JM Financial Limited* and Trust Investment Advisors Private Limited. <i>*In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with Regulation 23(3) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, JM Financial Limited will be involved only in marketing of the Issue.</i>
Market Lot	1 NCD.
Members of the Syndicate	Lead Managers and the Lead Brokers.
Members of the Syndicate Centres	Members of the Bidding Centers established for acceptance of Application Forms.
NCDs	The Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each and/or Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each, for an amount aggregating up to ₹ 2,000 crores (“ <b>Shelf Limit</b> ”) issued pursuant to the Shelf Prospectus and the Tranche Prospectus(es). The Unsecured NCDs shall be in the nature of subordinated debt and shall be eligible for Tier II Capital.
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue.
Offer Document	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any.
Owned fund	Paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any
Public Issue Account	Bank account opened with the Public Issue Account Bank by our Company under Section 40 of the Companies Act, 2013 and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
Public Issue Account	Agreement dated July 30, 2019 entered into amongst our Company, the Registrar, the Public Issue

Term	Description
Agreement	Account Bank, the Lead Managers, and the Refund Bank for blocking the Application Amounts in the ASBA Accounts, un-blocking the Application Amounts in the ASBA Accounts for the purposes of Allotment or refunds to the Applicants in relation to this Tranche II Issue on the terms and conditions contained therein.
Public Issue Account Bank	ICICI Bank Limited.
Record Date	The Record Date for payment of interest in connection with the Secured NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the Redemption Date and/or exercise of Call. In case of redemption of Secured NCDs, the trading in the Secured NCDs shall remain suspended between the Record Date and the Redemption Date. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.
Redemption/Maturity Amount	The amount repayable on the Secured NCDs, as specified in the section “ <i>Issue Structure - Terms and Conditions in connection with the Secured NCDs</i> ” on page 92 of this Tranche II Prospectus.
Redemption Date	The date on which our Company is liable to redeem the Secured NCDs in full as specified in the section “ <i>Issue Structure - Terms and Conditions in connection with the Secured NCDs</i> ” on page 92 of this Tranche II Prospectus. In the event of Call being exercised for Series III and IV NCDs, the Redemption Date shall be at any date after the expiry of 36 months from the Deemed Date of Allotment. If the Redemption Date/Maturity Date of any Series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. For further details, please refer to section “ <i>Issue Structure - Terms and Conditions in connection with the Secured NCDs</i> ” on page 92 of this Tranche II Prospectus.
Refund Bank	ICICI Bank Limited.
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made.
Register of Debenture holder	A register of Debenture holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and as more particularly detailed in the section title “ <i>General Terms of the Issue</i> ” on page 85 of this Tranche II Prospectus.
Registrar to the Issue	Karvy Fintech Private Limited ( <i>formerly known as KCPL Advisory Services Private Limited</i> )
Registrar and Share Transfer Agents or RTA	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Issue at the Designated RTA Locations.
Registrar Agreement	Agreement dated January 24, 2019 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Security	As specified disclosed in the chapter “ <i>Issue Structure</i> ” on page 91 of this Tranche II Prospectus and detailed in the Debenture Trust Deed.
Secured Debenture Holder (s) / Secured NCD Holder(s)	The holders of the Secured NCDs whose name appears in the database of the relevant Depository and/or the register of Secured Debenture Holders maintained by our Company if required to be maintained under applicable law.
SEBI Debt Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008, issued by SEBI, effective from June 06, 2008 as amended from time to time.
Secured NCDs	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value ₹ 1,000 each for an amount up to ₹ 100 crores, with an option for our Company to retain oversubscription up to ₹ 400 crores, aggregating up to ₹ 500 crores which is within the Shelf Limit, being offered through this Tranche II Prospectus.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Series	An option of Secured NCDs which are identical in all respects including, but not limited to terms and conditions, listing and ISIN and as further stated to be an individual Series in this Tranche II Prospectus.
Shelf Limit	The aggregate limit of the Issue, being ₹ 2,000 crores to be issued under the Shelf Prospectus through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus dated April 11, 2019 filed by our Company with the SEBI, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Specified Cities/Specified Locations	Bidding Centres where the Member of the Syndicate shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Stock Exchange	BSE
Subordinated Debt	Subordinated Debt means a fully paid up instrument, which is unsecured and is subordinated to the

Term	Description
	claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of a non-banking financial company. The book value of such instrument shall be subjected to discounting as provided hereunder:
	Remaining maturity of the instruments and rate of discount:
	<ul style="list-style-type: none"> <li>• up to one year 100%;</li> <li>• more than one year but up to two years 80%;</li> <li>• more than two years but up to three years 60%;</li> <li>• more than three years but up to four years 40%; and</li> <li>• more than four years but up to five years 20%</li> </ul>
	to the extent such discounted value does not exceed fifty per cent of Tier I capital.
Syndicate	Syndicate shall mean the brokers appointed in relation to the Issue.
Syndicate ASBA	Applications through the Designated Intermediaries.
Syndicate ASBA Application Locations	Bidding centres where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Syndicate Branches	In relation to Applications submitted to a Designated Intermediary, such branches of the SCSBs at the Syndicate Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Tier I capital	Tier I capital means, Owned fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the Owned fund and perpetual debt instruments issued by a non-deposit taking NBFC in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.
Tier II capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent it does not exceed Tier-I Capital.
Tranche II Issue Opening Date	August 6, 2019
Tranche II Issue Closing Date	September 4, 2019* *The Tranche II Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. during the period indicated above, except that the Tranche II Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors in all those newspapers in which an advertisement for opening or closure of this Tranche II Issue has been given on or before such earlier or initial date of Tranche II Issue closure. On the Tranche II Issue Closing Date, the Application Forms for Tranche II Issue will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges.
Tranche II Issue Period	The period between the Tranche II Issue Opening Date and the Tranche II Issue Closing Date inclusive of both days.
Transaction Documents	Transaction Documents shall mean, the Issue Agreement dated January 24, 2019 entered between our Company and the Lead Managers and further amended by amendment agreement dated July 30, 2019, the Registrar Agreement dated January 24, 2019 entered between our Company and the Registrar to the Issue, the Public Issue Account Agreement dated July 30, 2019 with the Public Issue Account Bank, the Refund Bank, the Lead Managers and the Registrar to the Issue, the Lead Broker Agreement dated July 30, 2019 with the Lead Brokers and Lead Managers, the Debenture Trustee Agreement dated January 24, 2019 executed between our Company and the Debenture Trustee and the Debenture Trust Deed executed between our Company and the Debenture Trustee dated May 20, 2019 for creating the security over the Secured NCDs issued under the Issue and to protect the interest of Secured NCD Holders under the Issue.
Transaction Registration Slip or TRS	The acknowledgment slip or document issued by any of the Designated Intermediaries, as the case may be, to an Applicant upon demand as proof of registration of his application for the Secured NCDs.
Tenor	Tenor shall mean the tenor of the Secured NCDs. Please refer to the “Issue Structure - Terms and Conditions in connection with the Secured NCDs” on page 92 of this Tranche II Prospectus.

<b>Term</b>	<b>Description</b>
Trading Members	Intermediaries registered with a Lead Broker under the SEBI (Stock Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges.
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus(es).
Tranche II Issue	Issue of the Secured NCDs pursuant to this Tranche II Prospectus.
Tranche Prospectus(es)	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts, documents for inspection and other terms and conditions in respect of the relevant Tranche Issue.
Tranche II Prospectus	This Tranche Prospectus dated July 31, 2019 containing the details of the Secured NCDs issued pursuant to the Tranche II Issue.
Trustees / Debenture Trustee	Trustees for the Debenture Holders in this case being IDBI Trusteeship Services Limited appointed by the NCD Public Issue Committee of our Company.
Tripartite Agreements	Tripartite agreement between our Company, Registrar to the Issue and CDSL dated July 20, 2016 and the tripartite agreement between our Company, Registrar to the issue and NSDL dated July 27, 2017.
Unsecured NCDs	NCDs offered under this Issue which are subordinated and are not secured by any charge on the assets of our Company, which will be in the nature of Subordinated Debt and will be eligible for Tier II capital and subordinate to the claims of all other creditors.
Working Day	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

#### Industry related terms

<b>Term</b>	<b>Description</b>
NBFC	Non Banking Financial Company.
NBFC-ND	Non Banking Financial Company- Non Deposit Taking.
NBFC-ND-SI	Non Banking Financial Company- Non Deposit Taking-Systemically Important.
NPA	Non Performing Asset.
NRI/Non-Resident	A person resident outside India, as defined under the FEMA.
NSSO	National Sample Survey Organisation.
PPP	Purchasing Power Parity.
RRB	Regional Rural Bank.
SCB	Scheduled Commercial Banks.

#### Conventional and general terms

<b>Term</b>	<b>Description</b>
AGM	Annual General Meeting.
AS	Accounting Standard.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
Companies Act, 1956	The <i>erstwhile</i> Companies Act, 1956, applicable prior to the commencement of the Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, as amended from time to time.
DRR	Debenture Redemption Reserve.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share.
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time.
Fiscal / Financial	Financial Year ending March 31.

<b>Term</b>	<b>Description</b>
Year / FY	
GDP	Gross Domestic Product.
GoI	Government of India.
HUF	Hindu Undivided Family.
IFRS	International Financial Reporting Standards.
IFSC	Indian Financial System Code.
IND AS	Accounting Standard notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Indian GAAP	Generally Accepted Accounting Principles in India.
IRDA	Insurance Regulatory and Development Authority.
IT Act	The Income Tax Act, 1961, as amended from time to time.
MCA	Ministry of Corporate Affairs, Government of India.
MICR	Magnetic Ink Character Recognition.
NACH	National Automated Clearing House.
NEFT	National Electronic Funds Transfer.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
PAN	Permanent Account Number.
RBI	The Reserve Bank of India.
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
SEBI Regulations	Debt Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time.
SEBI Act	The Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI Regulations	LODR Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
TDS	Tax Deducted at Source.
WDM	Wholesale Debt Market.

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled “*Statement of Tax Benefits*”, “*Other Regulatory and Statutory Disclosures*” and “*Issue Procedure*” beginning on pages 77, 131 and 109 of this Tranche II Prospectus, respectively will have the meanings ascribed to them in such sections.

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Tranche II Prospectus that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in the Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- Compliance with various financial and other covenants under the loan agreements;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Dependency on our fellow subsidiary company, JM Financial Credit Solutions Limited for origination of loans in real estate segment;
- Significant operational and financial integration among the Group Companies;
- Our business is tied to the “JM Financial” goodwill and brand name;
- Operation in an increasingly competitive financial services industry;
- Volatility in interest rates;
- Default or late or non-payment by or from our customers;
- Inability to effectively manage and sustain our rate of growth;
- Operation in a highly regulated industry and subject to various laws; and
- Downward revision in credit rating(s);
- Our ability to control or reduce the level of non-performing assets in our portfolio;

For further discussion of factors that could cause our actual results to differ, see the section titled “*Risk Factors*” on page 12 of the Shelf Prospectus.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled “*Industry Overview*”, “*Our Business*” and “*Legal and Other Information*” on pages 74, 92 and 183 respectively of the Shelf Prospectus. The forward-looking statements contained in this Tranche II Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, our Company’s actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors and officers, nor any of their respective affiliates or the Lead Managers have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI Debt Regulations, our Company and the Lead Managers will ensure that investors in India are informed of material developments between the date of filing the Shelf Prospectus and the Tranche II Prospectus with the ROC and the date of receipt of listing and trading permission being obtained from the Stock Exchanges.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### *General*

In this Tranche II Prospectus, unless the context otherwise indicates or implies, references to "you", "offeree", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the prospective investors in this Offering, references to our "Company", the "Company" or the "Issuer" are to JM Financial Products Limited.

In this Tranche II Prospectus, references to "US\$" is to the legal currency of the United States and references to "Rs.", "₹" and "Rupees" are to the legal currency of India. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions and all references to "India" are to the Republic of India and its territories and possessions, and the "Government", the "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise stated, references in this Tranche II Prospectus to a particular year are to the calendar year ended on December 31 and to a particular "fiscal" or "fiscal year" are to the Financial Year ended on March 31.

Unless otherwise stated all figures pertaining to the financial information in connection with our Company are on an unconsolidated basis.

### *Presentation of Financial Information*

Our Company publishes its financial statements in Rupees. Our Company's financial statements are prepared in accordance with Ind AS and the Companies Act, 2013, to the extent applicable.

In accordance with the roadmap on implementation of Indian Accounting Standards, our Company has adopted Ind AS as the applicable accounting standards from April 01, 2018. The Audited Financial Results, the Unaudited Financial Results, the Audited Ind AS Financial Statements and the JMFHL Special Purpose Unaudited Interim Financial Information, as included in this Tranche II Prospectus, have been prepared in accordance with Ind AS and Regulation 52 of the SEBI LODR Regulations. Due to the transition from Indian GAAP to Ind AS from April 01, 2018, figures prior to March 31, 2018 are not comparable with the figures post April 01, 2018. Similarly, the figures in the Reformatted Standalone Summary Financial Statements upto March 31, 2018 due to implementation of the Ind AS are not comparable with the figures post April 01, 2018.

The Reformatted Standalone Summary Financial Statements are included in the Shelf Prospectus. The examination reports on the Reformatted Standalone Summary Financial Statements, as issued by our Company's Statutory Auditors, M/s. Khimji Kunverji & Co. LLP, Chartered Accountants, Mumbai, (*formerly known as M/s. Khimji Kunverji & Co.*) are included in the Shelf Prospectus at page 252 of the Section titled "*Financial Information*" at page 246 of the Shelf Prospectus. Similarly, the JMFCL Standalone Financial Statements, as issued by the JMFCL Auditors are included in the Shelf Prospectus at page 344 of the Section titled "*Financial Information*" beginning at page 246 of the Shelf Prospectus; the JMFHL Standalone Financial Statements, as issued by the JMFHL Auditors are included in the Shelf Prospectus at page 294 of the Section titled "*Financial Information*" beginning at page 246 of the Shelf Prospectus; the JMFSL Standalone Financial Statements, as issued by the JMFSL Auditors are included in the Shelf Prospectus at page 321 of the Section titled "*Financial Information*" beginning at page 246 of the Shelf Prospectus; and the Astute Standalone Financial Statements, as issued by the Astute Auditors are included in the Shelf Prospectus at page 365 of the Section titled "*Financial Information*" beginning at page 246 of the Shelf Prospectus.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

### *Industry and Market Data*

There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Unless stated otherwise, all industry and market data used throughout the Shelf Prospectus and this Tranche II Prospectus have been obtained from industry publications and certain public sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although our Company believes that the industry and market data used in the Shelf Prospectus and this Tranche II Prospectus is reliable, it has not been verified by us or any independent sources. Further, the extent to which the market and industry data presented in this Tranche II Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

## SECTION II: INTRODUCTION

### GENERAL INFORMATION

Our Company was originally incorporated in Mumbai, Maharashtra as a private limited company on July 10, 1984 under the provisions of the Companies Act, 1956, with registration number 33397 of 1984 and with the name "**J.M. Lease Consultants Private Limited**". By virtue of section 43A of the Companies Act, 1956, our Company became a deemed public company with the name "**J.M Lease Consultants Limited**" and received a certificate of incorporation dated July 15, 1992 from the Registrar of Companies, Mumbai, Maharashtra. Our Company further became a private limited company with effect from August 17, 2001. Subsequently, by way of a fresh certificate of incorporation dated June 10, 2005 issued by the Registrar of Companies, Mumbai, Maharashtra, our Company's name was changed to "**JM Financial Products Private Limited**". Our Company was converted into a public limited company with the name "**JM Financial Products Limited**" and received a fresh certificate of incorporation consequent to change in status on June 28, 2010 from the Registrar of Companies, Mumbai, Maharashtra. Our Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, bearing registration no. B - 13.00178 dated March 2, 1998. For further details regarding changes to the name and registered office of our Company, see section titled "*History and Main Objects*" on page 109 of the Shelf Prospectus. For further details regarding the Promoter and the Group Companies please refer to "*Our Promoter*" at page 123 of the Shelf Prospectus.

#### Registered Office

##### ***JM Financial Products Limited***

7th Floor, Cnergy,  
Appasaheb Marathe Marg Prabhadevi,  
Mumbai,  
Maharashtra 400 025, India  
Tel: (+91 022) 6630 3030  
Fax: (+91 022) 6630 3223  
Website: [www.jmfinancialproducts.com](http://www.jmfinancialproducts.com)  
Email: [investorrelations.products@jmfl.com](mailto:investorrelations.products@jmfl.com)

For details of change in registered office, refer to the section titled "*History and Main Objects*" on page 109 of the Shelf Prospectus.

#### Registration

Registration Number: 033397

Permanent Account Number: AAACJ1236G

Legal Entity Identifier Number: 254900RFJL24Y2NFKF06

Corporate Identity Number: U74140MH1984PLC033397 issued by the Registrar of Companies, Mumbai, Maharashtra

Certificate of registration dated March 02, 1998, bearing number B-13.00178, issued under Section 45IA of the RBI Act, 1934 by the RBI to carry on the business of a non-banking financial institution without accepting public deposits.

#### Chief Financial Officer

Mr. Nishit Shah  
7th Floor, Cnergy,  
Appasaheb Marathe Marg Prabhadevi,  
Mumbai,  
Maharashtra 400 025, India  
Tel: (+91 022) 6630 3030  
Fax: (+91 022) 6630 3223  
Email: [nishit.shah@jmfl.com](mailto:nishit.shah@jmfl.com)

**Company Secretary and Compliance Officer**

Mr. Rupesh Samani

7th Floor, Cnergy,

Appasaheb Marathe Marg Prabhadevi,

Mumbai,

Maharashtra 400 025, India

Tel: (+91 022) 6630 3030

Fax: (+91 022) 6630 3223

Email: investorrelations.products@jmfl.com/rupesh.samani@jmfl.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post-issue related issues such as non-receipt of intimation of allotment advice, demat credit of allotted NCDs or refund orders, as the case may be.

All grievances relating to the Issue or any relevant Tranche Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the collection centre of the Designated Intermediaries where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the Applicant.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism may be addressed directly to the respective Stock Exchanges.

**Lead Managers****A. K. Capital Services Limited**

30-38, Free Press House,

3<sup>rd</sup> Floor, Free Press Journal Marg,

215, Nariman Point,

Mumbai 400 021

CIN: L74899MH1993PLC274881

Tel: (91 22) 6754 6500

Fax: (91 22) 6610 0594

Email: jmproducts2019@akgroup.co.in

Investor Grievance Email: investor.grievance@akgroup.co.in

Website: www.akgroup.co.in

Contact Person: Mr. Krish Sanghvi / Mr. Malay Shah

Compliance Officer: Mr. Tejas Davda

SEBI Registration No.: INM000010411

**JM Financial Limited\***

7<sup>th</sup> Floor, Cnergy,

Appasaheb Marathe Marg, Prabhadevi

Mumbai – 400 025

CIN: L67120MH1986PLC038784

Tel: +91 22 6630 3030

Fax: +91 22 6630 3220

Email: jmfpl.ncd2018@jmfl.com

Investor Grievance Email: grievance.ibd@jmfl.com

Website: www.jmfl.com

Contact Person: Ms. Prachee Dhuri

Compliance Officer: Mr. Sunny Shah

SEBI Registration No.: INM000010361

*\*In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with Regulation 23(3) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, JMFL will be involved only in marketing of the Issue.*

**Trust Investment Advisors Private Limited**

109/110, Balarama, Bandra Kurla Complex  
Bandra (E)  
Mumbai – 400051  
CIN: U67190MH2006PTC162464  
Tel: (+91 22) 40845000  
Fax: (+91 22) 40845007  
Email: project.paris@trustgroup.in  
Investor Grievance Email: customercare@trustgroup.in  
Website: www.trustgroup.in  
Contact Person: Mr. Hani Jalan  
Compliance Officer: Mr. Ankur Jain  
SEBI Registration No.: INM000011120

**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 / 4080 7080  
Email: itsl@idbitrustee.com  
Investor Grievance Email: response@idbitrustee.com  
Website: www.idbitrustee.com  
Contact Person: Mr. Dinesh Ladwa  
Compliance Officer: Mr. Jatin Bhatt  
SEBI Registration No.: IND000000460

IDBI Trusteeship Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated July 24, 2019 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Tranche II Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

All the rights and remedies of the Debenture Holders under this Tranche II Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Tranche II Issue without having it referred to the Debenture Holders. All investors under this Tranche II Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Tranche II Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the Debenture Holders. For details on the terms of the Debenture Trust Deed, please refer to the section titled “*Issue Related Information*” on page 85 of this Tranche II Prospectus.

**Registrar to the Issue****Karvy Fintech Private Limited**

*(Formerly known as KCPL Advisory Services Private Limited)*

Karvy Selenium Tower B,  
Plot 31-32,  
Gachibowli Financial District  
Nanakramguda  
Hyderabad 500 032  
CIN: U72400TG2017PTC117649  
Tel: (+91 40) 6716 2222  
Fax: (+91 40) 2343 1551  
Email: jmfpl.ncdl@karvy.com  
Investor Grievance Email: einward.ris@karvy.com  
Website: www.karvyfintech.com  
Contact Person: Mr. Murali Krishna

Compliance Officer: Mr. Rakesh Santhalia  
SEBI Registration No.: INR000000221

Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited) has by its letter dated January 01, 2019 given its consent for its appointment as Registrar to the Issue and for its name to be included in this Tranche II Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Applicants or prospective investors may contact the Registrar to the Issue or the Company Secretary & Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non receipt of Allotment Advice, demat credit, refunds or transfers, etc. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant ("**DP**") and the collection centre of the relevant members of the Designated Intermediaries appointed in relation to the Issue ("**Syndicate**") where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Designated Intermediary and the relevant Designated Branch of the SCSB in the event of an Application submitted by an Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for and amount blocked on Application.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism or through Designated Intermediaries of the Stock Exchanges may be addressed directly to the relevant Stock Exchange.

#### **Statutory Auditors**

##### **M/s. Khimji Kunverji & Co. LLP, Chartered Accountants, Mumbai**

*(formerly known as M/s. Khimji Kunverji & Co.)*

Sunshine Tower, Level 19  
Senapati Bapat Marg  
Elphinstone Road  
Mumbai 400 013  
Telephone: 022 6143 7333  
Facsimile: 022 6143 7300  
Website: [www.kkc.in](http://www.kkc.in)  
E-mail: [hasmukh@kkc.in](mailto:hasmukh@kkc.in)

The Board, on April 30, 2018, appointed M/s. Khimji Kunverji & Co. LLP, Chartered Accountants, Mumbai *(formerly known as M/s. Khimji Kunverji & Co.)* as the statutory auditors of our Company for a period of five financial years. This was confirmed by the shareholders of our Company on July 17, 2018. Prior to this, Deloitte Haskins & Sells, LLP, Chartered Accountants were the statutory auditors of the Company. Other than this, there has been no other change of a statutory auditor of our Company in the last three financial years.

#### **Credit Rating Agencies**

##### **ICRA Limited**

Electric Mansion, 3<sup>rd</sup> Floor,  
Appasaheb Marathe Marg, Prabhadevi,  
Mumbai-400 025  
Telephone: (+91) (022) 61143406  
Facsimile: (+91) (022) 24331390  
Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)  
Contact Person: Mr. L. Shivakumar  
Website: [www.icra.in](http://www.icra.in)  
SEBI Registration Number: IN/CRA/008/2015  
CIN: L74999DL1991PLC042749

*\*ICRA Ratings Limited received a notice from SEBI on December 18, 2018, for conduct of adjudication proceedings in relation to credit*

ratings assigned to Infrastructure Leasing & Financial Services Limited and one of its subsidiaries, IL&FS Financial Services Ltd. under the SEBI (Procedure for Holding Enquiry and Imposing Penalties by Adjudication Officer) Rules, 1995. These proceedings are under Chapter VI-A of the SEBI Act, 1992, which deals with potential imposition of monetary penalty.

### **CRISIL Limited**

CRISIL House, Central Avenue  
Hiranandani Business Park, Powai  
Mumbai-400 076  
Telephone: (+91) (022) 3342 3000  
Facsimile: (+91) (022) 3342 3050  
Email: [crisilratingdesk@crisil.com](mailto:crisilratingdesk@crisil.com)  
Contact Person: Mr. Krishnan Sitaraman  
Website: [www.crisil.com](http://www.crisil.com)  
SEBI Registration Number: IN/CRA/001/1999  
CIN: L67120MH1987PLC042363

### **Credit Rating and Rationale**

The NCDs proposed to be issued under this Issue have been rated [ICRA]AA (Stable) by ICRA for an amount of upto ₹ 2,000 crores vide its letter dated January 09, 2019 and further revalidated by letter dated July 24, 2019 and have been rated "CRISIL AA/STABLE" by CRISIL for an amount upto ₹ 2,000 crores vide its letter dated January 03, 2019 and further revalidated by its letter dated July 30, 2019. The rating of the NCDs by ICRA and CRISIL indicates high degree of safety regarding timely servicing of financial obligations. The rating provided by ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to pages 282 to 306 of this Tranche II Prospectus for rating letter and rationale for the above rating.

### **Disclaimer clause of ICRA**

"ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its Group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents."

### **Disclaimer clause of CRISIL**

"CRISIL Limited (CRISIL) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL from sources which it considers reliable (Information). A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and / or registration to carry out its business activities in this regard. JM Financial Products Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, [www.crisil.com](http://www.crisil.com).

For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301."

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**Legal Advisor to the Issue**

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**AZB & Partners**

AZB House, Peninsula Corporate Park  
Ganpatrao Kadam Marg,  
Lower Parel  
Mumbai 400 013  
Tel: (+91 22) 6639 6880  
Fax: (+91 22) 6639 6888

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**Bankers to our Company**

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**Syndicate Bank,**

Large Corporate Branch,  
3<sup>rd</sup> Floor, 10, Homji Street, Fort  
Mumbai 400 023  
Contact Person: Mr. Birendra Kumar Singh  
Tel: (+91 22) 2266 2787

**ICICI Bank Limited**

Capital Markets Division,  
1<sup>st</sup> Floor, 122, Mistry Bhavan Dinshaw Wachha Road,  
Backbay Reclamation, Churchgate,  
Mumbai 400 020  
Contact Person: Branch Manager  
Tel: (+91-22) 6681 8990

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**Federal Bank**

Treasury Department,  
C-8, 1<sup>st</sup> Floor, Laxmi Towers,  
Bandra Kurla Complex,  
Mumbai 400 051  
Contact Person: Mr. Ritesh Tulasidas Bhusari  
Tel: (+91 22) 2656 6668

**Bajaj Finance Limited**

The Capital, 16<sup>th</sup> Floor, B-Wing,  
Opposite ICICI Bank,  
BKC Bandra East,  
Mumbai 400 051  
Contact Person: Ms. Deepti Shetty  
Tel: (+91 22) 3950 0517

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**Bank of Baroda**

Corporate Financial Services Branch,  
Mumbai Samachar Marg,  
10/12, 3<sup>rd</sup> Floor, Fort,  
Mumbai 400 023  
Contact Person: Mr. Vikram Bajaj  
Tel: (+91 22) 4340 7304

**Canara Bank**

Specialised Mid Corporate Branch,  
Canara Bank Building, 8<sup>th</sup> Floor,  
BKC, Bandra East,  
Mumbai 400 051  
Contact Person: Mr. K Balakrishna  
Tel: (+91 22) 2653 5731

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**IDBI Bank Limited**

224-A, Mittal Court,  
'A' Wing,  
Nariman Point,  
Mumbai 400 021  
Contact Person: Mr. Salim Saudagar  
Tel: (+91 22) 6658 8201

**Bank of India**

Andheri Large Corporate Branch,  
M.D.I. Building, First Floor,  
28, S.V. Road, Andheri (West)  
Mumbai 400 058  
Contact Person: Mr. T.V. Kalidas  
Tel: (+91 22) 2671 2936

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**HDFC Bank Limited**

2<sup>nd</sup> Floor, Zenith House,  
K.K. Road, Arya Nagar,  
Opposite Race Course, Mahalakshmi,  
Mumbai-400 034, Maharashtra.  
Contact Person: Mr. Xerxes Davar  
Tel: (+91 22) 39760546

**State Bank of India**

Commercial Branch,  
Horniman Circle, Fort  
Mumbai 400 001  
Contact Person: Mr. Amit Verma  
DGM & RM (AMT-1)  
Tel: (+91 22) 2266 2205

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**IDFC First Bank Limited**

Naman Chambers, C-32,  
G-Block, Bandra Kurla Complex,  
Mumbai  
Contact Person: Mr. Abdullah Mehtab  
Tel: 022-71325654

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**Public Issue Account Bank and Refund Bank**

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**ICICI Bank Limited**

**Address:** Capital Market Division, 1st Floor, 122, Mistry  
Bhavan, Dinshaw Vachha Road, Backbay Reclamation,  
Churchgate, Mumbai – 400020  
**Tel No:** 022- 66818911/923/924  
**Facsimile:** 022- 22611138  
**E-mail:** kmr.saurabh@icicibank.com  
**Website:** www.icicibank.com  
**Contact Person:** Mr. Saurabh Kumar

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**Lead Brokers to the Issue**

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**Trust Securities Services Private Limited****Address:** 1101, Naman Centre, 'G' Block, C – 31, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051**CIN:** U65929MH2016PTC287266**Contact Person:** Ms. Avani Dalal**Tel No:** + 91 (22 4084 5000)**Facsimile:** + 91 (22 4084 5066)**E-mail:** avani.dalal@trustgroup.in**Investor grievance E-mail id:** grievances@trustgroup.in**Website:** www.trustgroup.in**SEBI Registration No.:** INZ000158031**ICICI Securities Limited****Address:** ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020**CIN:** L67120MH1995PLC086241**Contact Person:** Mr. Rajat Rawal**Tel No:** + 91 (22 66377157)**Facsimile:** Nil**E-mail:** rajat.rawal@icicisecurities.com**Investor grievance E-mail id:** customercare@icicisecurities.com**Website:** www.icicisecurities.com**SEBI Registration No.:** INM000011179**Karvy Stock Broking Limited****Address:** "Karvy House", 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034**CIN:** U67120TG1995PLC019877**Contact Person:** Mr. P.B. Pamapriyan**Tel No:** + 91 (40 2331 2454)**Facsimile:** + 91 (40 3321 8029)**E-mail:** ksblldist@karvy.com**Investor grievance E-mail id:** ksblredressal@karvy.com**Website:** www.karvy.com**SEBI Registration No.:** INB230770138 (NSE) and INB010770130 (BSE)**SMC Global Securities Limited****Address:** 17, Netaji Subhash Marg Daryaganj, Delhi - 110002**CIN:** L74899DL1994PLC063609**Contact Person:** Mr. Mahesh Gupta and Mr. Neeraj Khanna**Tel No:** + 91 (11 66623300 / 9818620470 / 9810059041)**Facsimile:** + 91 (11 3012 6061)**E-mail:** mkg@smcindiaonline.com,

neerajkhanna@smcindiaonline.com

**Investor grievance E-mail id:**

neerajkhanna@smcindiaonline.com

**Website:** www.smctradeonline.com**SEBI Registration No.:** INZ000199438**Axis Capital Limited****Address:** Axis House, Level 1, C- 2, Wadia International Centre, P.B. Marg, Worli, Mumbai - 400025**CIN:** U51900MH2005PLC157853**Contact Person:** Mr. Ajay Sheth / Mr. Vinayak Ketkar**Tel No:** + 91 (22 4325 3110)**Facsimile:** + 91 (22 4325 3000)**E-mail:** ajay.sheth@axiscap.in

vinayak.ketkar@axiscap.in

**Investor grievance E-mail id:**

vinayak.ketkar@axiscap.in

**Website:** www.axiscapital.co.in**SEBI Registration No.:** INM000012029**HDFC Securities Limited****Trust Financial Consultancy Services Private Limited****Address:** 1101, Naman Centre, 'G' Block, C – 31, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051**CIN:** U6712MH2002PTC135942**Contact Person:** Mr. Pranav Inamdar**Tel No:** + 91 (22 4084 5000)**Facsimile:** + 91 (22 4084 5066)**E-mail:** pranav.inamdar@trustgroup.in**Investor grievance E-mail id:** grievances@trustgroup.in**Website:** www.trustgroup.in**SEBI Registration No.:** INZ000238639**Integrated Enterprises (India) Private Limited****Address:** A -123, 12<sup>th</sup> floor, Mittal Tower, Nariman Point, Mumbai – 400021**CIN:** U65993TN1987PTC014964**Contact Person:** Mr. V. Krishnan**Tel No:** + 91 (22 4066 1800)**Facsimile:** Nil**E-mail:** krishnan@integratedindia.in**Investor grievance E-mail id:** sriram@integratedindia.in**Website:** www.integratedindia.in**SEBI Registration No.:** INZ000095737**Kotak Securities Limited****Address:** 4<sup>th</sup> Floor, 12BKC, G Block, Bandra Kurla Complex, Bandra (east), Mumbai – 400 051**CIN:** U99999MH1994PLC134051**Contact Person:** Mr. Umesh Gupta**Tel No:** + 91 (22 6218 5470)**Facsimile:** + 91 (22 6713 2430)**E-mail:** umesh.gupta@kotak.com**Investor grievance E-mail id:** ipo.redressal@kotak.com**Website:** www.kotak.com**SEBI Registration No.:** INZ000200137**Tipsons Stock Brokers Private Limited****Address:** Sheraton House, 5<sup>th</sup> floor, opposite Ketav petrol pump, Polytechnic road, Ambavadi, Ahmedabad - 380015**CIN:** U65910GJ1995PTC028486**Contact Person:** Ms. Suman Bhagdev**Tel No:** + 91 (079 6682 8000 / 8064 / 8029 / 8120)**Facsimile:** + 91 (079 6682 8001)**E-mail:** suman.bhagdev@tipsons.com**Investor grievance E-mail id:** compliance@tipsons.com**Website:** www.tipsons.com**SEBI Registration No.:** INB231428039 (NSE) and INB011428035 (BSE)**A.K. Stockmart Private Limited****Address:** 30-39, Free Press House, 3<sup>rd</sup> floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400 021**CIN:** U67120MH2006PTC158932**Contact Person:** Mr. Ankit Gupta / Mr. Ranjit Dutta**Tel No:** + 91 (22 6754 6500)**Facsimile:** + 91 (22 6754 4666)**E-mail:** Ankit@akgroup.co.in / ranjit.dutta@akgroup.co.in**Investor grievance E-mail id:** investor@akgroup.co.in**Website:** www.akgroup.co.in**SEBI Registration No.:** INZ000240830**IIFL Securities Limited**

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**Address:** I Think Techno Campus, Building B, 'Alpha', 8<sup>th</sup> floor, Opposite Crompton Greaves, near Kanjurmarg Station, Kanjurmarg (east), Mumbai – 400 042  
**CIN:** U67120MH2000PLC152193  
**Contact Person:** Mr. Dipesh Kale/ Mr. Dattatray Anpat  
**Tel No:** + 91 (22 30753400)  
**Facsimile:** + 91 (22 3075 3435)  
**E-mail:** DipeshA.kale@hdfcsec.com / Dattatray.anpat@hdfcsec.com  
**Investor grievance E-mail id:** customercare@hdfcsec.com  
**Website:** www.hdfcsec.com  
**SEBI Registration No.:** INZ000186937

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**Address:** 6<sup>th</sup> and 7<sup>th</sup> Floor, Akruti Centre Point, Central road, MIDC, Andheri (east), Mumbai - 400093  
**CIN:** U99999MH1996PLC132983  
**Contact Person:** Mr. Prasad Umarale  
**Tel No:** + 91 (22 3929 4000) / (22 4103 5000)  
**Facsimile:** + 91 (22 2580 6654)  
**E-mail:** cs@iifl.com  
**Investor grievance E-mail id:** customergrievances@iifl.com  
**Website:** www.indiaifoline.com  
**SEBI Registration No.:** INZ000164132

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**JM Financial Services Limited**  
**Address:** 2,3 & 4, Kamanwala Chambers, Ground floor, Sir PM road, Fort, Mumbai – 400 001  
**CIN:** U67120MH1998PLC115415  
**Contact Person:** Mr. Surajit Misra / Mr. Deepak Vaidya / Mr. T N Kumar / Mr. Sona Varghese  
**Tel No:** + 91 (22 6136 3400)  
**Facsimile:** Nil  
**E-mail:** surajit.misra@jmfl.com / deepak.vaidya@jmfl.com / tn.kumar@jmfl.com  
**Investor grievance E-mail id:** ig.distribution@jmfl.com  
**Website:** www.jmfinancialservices.in  
**SEBI Registration No.:** INZ000195834

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**Edelweiss Securities Limited**  
**Address:** Edelweiss House, off CST road, Kalina, Mumbai – 400 098  
**CIN:** U67110AP1993PLC052266  
**Contact Person:** Mr. Amit Dalvi / Mr. Prakash Boricha  
**Tel No:** + 91 (22 4063 5411) (22 4063 5599)  
**Facsimile:** Nil  
**E-mail:** amit.dalvi@edelweissfin.com / Prakash.boricha@edelweissfin.com  
**Investor grievance E-mail id:** helpdesk@edelweiss.in  
**Website:** [www.edelweissfin.in](http://www.edelweissfin.in) / www.edelweissfin.com  
**SEBI Registration No.:** INZ000166136

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## Impersonation

*As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:*

*"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."*

## Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of the Base Issue, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Account(s), such Application Amounts shall be refunded within 6 Working Days from the Refund Account to the relevant ASBA Accounts(s) of the Applicants. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company

and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

### **Designated Intermediaries**

#### *Self-Certified Syndicate Banks*

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on <http://www.sebi.gov.in> or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs, with which an Applicant, not applying through the Syndicate, may submit the Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> or at such other website as may be prescribed by SEBI from time to time.

#### *Syndicate SCSB Branches*

In relation to Applications submitted to the Designated Intermediaries, the list of branches of the SCSBs to receive deposits of ASBA Applications from such Designated Intermediaries is provided on <http://www.sebi.gov.in> or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Applications from Designated Intermediaries, see the above mentioned web-link.

#### *RTAs / CDPs*

The list of the RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> for RTAs and CDPs, as updated from time to time.

#### *Broker Centres/ Designated CDP Locations/ Designated RTA Locations*

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Underwriting**

The Tranche II Issue is not underwritten.

### **Arrangers to the Issue**

There are no arrangers to the Tranche II Issue.

### **Utilisation of Issue proceeds**

For details on utilisation of Issue proceeds, please refer to the chapter titled "*Objects of the Tranche II Issue*" on page 74 of this Tranche II Prospectus.

### **Issue Programme**

<b>TRANCHE II ISSUE OPENS ON</b>	August 6, 2019
<b>TRANCHE II ISSUE CLOSES ON</b>	September 4, 2019

This Tranche II Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated above, except that this Tranche II Issue may close on such earlier date or extended date as

may be decided by the Board of Directors of our Company ("**Board**") or the NCD Public Issue Committee. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors in all those newspapers in which an advertisement for opening or closure of this Tranche II Issue has been given on or before such earlier or initial date of Tranche II Issue closure. Applications Forms for this Tranche II Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Tranche II Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchange on the Tranche II Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche II Issue Closing Date and, no later than 3:00 p.m. (Indian Standard Time) on the Tranche II Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche II Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under this Tranche II Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Designated Intermediaries are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. As per the SEBI circular dated October 29, 2013, the allotment in this Tranche II Issue should be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, in the event of oversubscription, on such date, the allotments should be made to the applicants on proportionate basis.

## MATERIAL DEVELOPMENTS

There are no recent material developments in relation to our Company as disclosed in the sections titled “**Risk Factors**”, “**Capital Structure**”, “**About the Issuer and Industry Overview**”, “**Our Business**”, “**History and Main Objects**”, “**Our Management**”, “**Disclosures on Existing Financial Indebtedness**”, “**Financial Information**”, “**Pending Proceedings and Statutory Defaults**”, “**Regulations and Policies**”, “**Material Developments**” and “**Summary of Key Provisions of Articles of Association**” since the date of filing of the Shelf Prospectus and Tranche I Prospectus except as disclosed below.

### **I. RISK FACTORS**

1. The following information should be read with Risk Factor 3, ‘*We are dependent on our fellow subsidiary company, JM Financial Credit Solutions Limited (“JMFCSL”) for origination of loans in real estate segment. Any inability to originate loans for us will adversely impact the business operations of the Company*’ beginning on page 13 of the Shelf Prospectus:

As on June 30, 2019, real estate segment comprised 25.2% (excluding impact of Ind AS adjustments) of our total loan book.

2. The following information should be read with Risk Factor 5, ‘*Our business is tied to the ‘JM Financial’ brand name and goodwill. Any adverse impact on the brand name ‘JM Financial’ or any change in control of the Promoter or any other factor affecting the business and reputation may have a concurrent adverse effect on our reputation, business and results of operations*’ beginning on page 13 of the Shelf Prospectus:

We have recently launched a brand  under which we operate our real estate broking business. For details with respect to the registration of the said trade mark, see “*Pending Proceedings and Statutory Defaults – Other proceedings*” on page 61 of this Tranche II Prospectus.

3. The following information should be read with Risk Factor 9, ‘*An inability to effectively manage and sustain our rate of growth, or maintain operational efficiencies, may adversely affect our business and we may not be able to increase our revenues or maintain our profitability*’ beginning on page 16 of the Shelf Prospectus:

Our total revenue stood at ₹ 949.4 crore in fiscal 2019 and ₹ 239.9 crore for the three months period ended June 30, 2019 under Ind AS.

4. The following information should be read with Risk Factor 10, ‘*We and our Subsidiary operate in a highly regulated industry and are subject to various laws and regulations and regulatory investigations which may have a material adverse effect on our business, financial condition or results of operation*’ beginning on page 16 of the Shelf Prospectus:

Part VII of the Finance Bill, 2019 has introduced amendments to the National Housing Bank Act, 1987 which enable the RBI to exercise supervision and regulatory control over a HFC, such as our Subsidiary. Such provisions are not in force as on the date of this Tranche II Prospectus.

5. The following information should be read with Risk Factor 13, ‘*Non-compliance with RBI or NHB inspection / observations may have a material adverse effect on our business, financial condition or results of operation. Any adverse observations from such regulators could have a material adverse effect on our business, financial condition or results of operation*’ beginning on page 18 of the Shelf Prospectus:

Part VII of the Finance Bill, 2019 has introduced amendments to the National Housing Bank Act, 1987 which enable the RBI to exercise supervision and regulatory control over an HFC, such as our Subsidiary. Such provisions are not in force as on the date of this Tranche II Prospectus.

6. The following information should be read with Risk Factor 14, ‘*We may face asset-liability mismatches that could adversely affect our cash flows, financial condition and results of operations*’ beginning on page 18 of the Shelf Prospectus:

As on June 30, 2019, we had long term borrowings amounting to ₹ 3,718.6 crore and short term borrowings amounting to ₹ 1,743.2 crore (under Ind AS excluding lease liability as per Ind AS 116 of ₹ 81.9 crore as of June 30, 2019).

7. The following information should be read with Risk Factor 15, *‘Our business requires substantial funds, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition’* beginning on page 18 of the Shelf Prospectus:

Our finance costs stood at ₹ 521.96 crore and ₹ 119.5 crore in Fiscal 2019 and the three months period ended June 30, 2019 under Ind AS respectively.

8. The following information should be read with Risk Factor 16, *‘Increase in NPA level due to customer defaults impact the quality of our portfolio and our business may be adversely affected if we are unable to provide for such higher levels of NPAs’* beginning on page 19 of the Shelf Prospectus:

We derive a significant portion of our revenue from interest income, which represented 90.2% and 82.5% of our total revenues in Fiscal 2019 and the three months period ended June 30, 2019 respectively. As of March 31, 2019 and the three months period ended June 30, 2019, our gross NPA ratios were 0.1% and 0.1% respectively, while our net NPA ratios were 0.1% and 0.1% respectively.

9. The following information should be read with Risk Factor 19, *‘We may not be able to recover our 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. Our inability to recover outstanding amounts under loans may adversely affect our business’* beginning on page 20 of the Shelf Prospectus:

As on June 30, 2019, we had secured loans amounting to ₹ 5,294.3 crore and unsecured loans amounting to ₹ 209.2 crore (excluding impact of Ind AS adjustments viz interest accrued, expected credit loss and effective interest rate aggregating to ₹ 3.5 crore).

10. The following information should be read with Risk Factor 24, *‘Our Company operates in various segments such as FID (structured financing), FID (real estate financing), capital market financing and SME financing. Any default by a client coupled with a downturn in the stock markets or any other specific sector could result in substantial losses for our Company’* beginning on page 22 of the Shelf Prospectus:

Our Company operates in four business segments viz. FID (structured financing), FID (real estate financing), capital market financing and SME financing. As on June 30, 2019, exposure to each of this segment was 41.3%, 25.2%, 27.2% and 6.2% respectively.

11. The following information should be read with Risk Factor 35, *‘We are subject to regulations in relation to minimum capital adequacy requirements and a decline in our CRAR will require us to raise fresh capital which may not be available on favourable terms, or at all, which may affect our business, prospects, results of operations and financial condition. A decline in our capital adequacy ratio could also restrict our future business growth’* beginning on page 27 of the Shelf Prospectus:

As at June 30, 2019, CRAR was 22.3%, of which Tier 1 capital was 21.8%.

12. The following information should be read with Risk Factor 40, *‘Our substantial indebtedness and the conditions imposed by our financing and other agreements could adversely affect our ability to conduct our business and operations’* beginning on page 29 of the Shelf Prospectus:

As of June 30, 2019, we had total outstanding debt of ₹ 5,461.8 crore (as per Ind AS excluding lease liability as per Ind AS 116 of ₹ 81.9 crore as of June 30, 2019) and our debt to equity ratio was 3.4 times.

13. The following information should be read with Risk Factor 42, *‘We may experience negative cash flows in the future’* beginning on page 30 of the Shelf Prospectus:

Particulars	Fiscal 2019
	(₹ in crore)
Net cash flow from/ (used in) operating activities	1,664.3
Net cash flow from/ (used in) investing activities	(432.4)
Net cash flow from/ (used in) financing activities	(1,285.3)
Net increase/ (decrease) in cash and cash equivalent	(53.4)

14. The following information should be read with Risk Factor 43, ‘*We have certain contingent liabilities that could adversely affect our financial condition*’ beginning on page 30 of the Shelf Prospectus:

Our contingent liabilities were at ₹ 5.7 crore and capital commitments were ₹ 0.01 crore as of March 31, 2019. These comprised the following:

Particulars	As of March 31, 2019
	(₹ crore)
Contingent liabilities	5.7
Estimated amount of contracts remaining to be executed on capital account and not provided for.	0.01

15. The following information should be read with Risk Factor 44, ‘*Our Subsidiary has incurred losses in the past*’ beginning on page 30 of the Shelf Prospectus:

Our Subsidiary has incurred loss in the financial year ending March 31, 2019 amounting to ₹ 6.6 crore.

16. The following information should be read with Risk Factor 69, ‘*If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to the Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company*’ beginning on page 30 of the Shelf Prospectus:

As part of the recently announced Union Budget 2019-2020, the Ministry of Finance, Government of India has stated that in order to allow NBFCs to raise funds in public issues, the requirement of creating a DRR, which is currently applicable for only for public issues, is proposed to be done away with. This provision, however, has not yet been notified by the Ministry of Corporate Affairs and is not in force as on the date of this Tranche II Prospectus.

17. ***This Tranche II Prospectus includes certain unaudited financial information, which has been subjected to limited review, in relation to our Company and our Subsidiary.***

This Tranche II Prospectus includes Unaudited Financial Results in relation to our Company and JMFHL Special Purpose Unaudited Interim Financial Information in relation to our Subsidiary for the three months period ended June 30, 2019 in respect of which the auditors have issued the limited review report dated July 11, 2019 and July 11, 2019 respectively. As the limited review financial information prepared by our Company and our Subsidiary in accordance with Regulation 52(2) of the SEBI LODR Regulations have been subjected only to a limited review and as described in Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information” Performed by the Independent Auditor of the Entity” issued by the ICAI, and not to an audit, any reliance by prospective investors on such limited review financial information for the three months period ended June 30, 2019 should, accordingly, be limited.

18. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

The annual rate of inflation was at 3.07% (provisional) for the month of April 2019 (over April 2018) as compared to 3.18% (provisional) for the previous month and 3.62% during the corresponding month of 2017. (Source: *Index Numbers of Wholesale Price in India, Review for the month of April 2019, published on May 14, 2019 by Government of India, Ministry of Commerce and Industry*). Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our payers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

19. ***Any downgrading in credit rating of our NCDs may adversely affect the value of NCDs and thus our ability to raise further debts.***

The NCDs for an amount of up to ₹ 2,000 crore proposed to be issued under the issue have been rated “CRISIL AA/ Stable” by CRISIL *vide* its letter dated January 3, 2019 and further revalidated by letter dated July 30, 2019 and “[ICRA]AA (Stable)” by ICRA *vide* its letter dated January 9, 2019 and further revalidated by letter dated July 24, 2019. The rating of the NCDs by CRISIL and ICRA indicates high degree of safety

regarding timely servicing of financial obligations. The rating provided by CRISIL and ICRA may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

## II. OUR BUSINESS

- The following information should be read with ‘*Competitive Strengths – Robust track record of growth and profitability*’ beginning on page 93 of the Shelf Prospectus:

Our loan book stood at ₹ 5,226.6 crore as of March 31, 2019 (excluding impact of Ind AS adjustments viz. interest accrued, expected credit loss and effective interest rate aggregating to ₹ (6.0) crore) and ₹ 5,503.4 crore as of three months period ended June 30, 2019 (excluding impact of Ind AS adjustments viz interest accrued, expected credit loss and effective interest rate aggregating to ₹ 3.5 crore).

We recorded total revenue / income of ₹ 949.4 crore and ₹ 239.9 crore for Fiscal 2019 and in the three months period ended June 30, 2019 respectively. We recorded profit before tax of ₹ 315.8 crore and ₹ 92.7 crore for Fiscal 2019 and in the three months ended June 30, 2019, respectively. We recorded profit after tax of ₹ 204.3 crore and ₹ 61.9 crore Fiscal 2019 and in three months ended June 30, 2019 respectively. Our ROE stood at 13.5% and 15.6% for Fiscal 2019 and the three months period ended June 30, 2019 (on an annualized basis), respectively. Our ROA stood at 3.1% and 3.7% for Fiscal 2019 and the three months period ended June 30, 2019 (on an annualized basis), respectively.

- The following information should be read with ‘*Robust lending book profile reflected in growth, asset quality and returns*’ beginning on page 93 of the Shelf Prospectus:

Our aggregate loan book stood at ₹ 5,226.6 crore (excluding impact of Ind AS adjustments viz. interest accrued, expected credit loss and effective interest rate aggregating to ₹ (6.0) crore) and ₹ 5,503.4 crore (excluding impact of INDAS adjustments viz interest accrued, expected credit loss and effective interest rate aggregating to ₹ 3.5 crore), as of March 31, 2019 and June 30, 2019, respectively.

Gross NPAs were ₹ 3.7 crore and ₹ 3.7 crore in Fiscal 2019 and in the three months ended June 30, 2019, respectively, while Net NPAs were ₹ 3.3 crore and ₹ 3.3 crore in such periods. Gross NPAs were 0.1% and 0.1% of our gross loan book as of March 31, 2019 and June 30, 2019, respectively, while Net NPAs were 0.1% and 0.1% of our loan book as of such dates

Our ROA was 3.1% and 3.7% in Fiscal 2019 and in the three months period ended June 30, 2019 (on an annualized basis), respectively. Our ROE was 13.5% and 15.6% in Fiscal 2019 and in the three months period ended June 30, 2019 (on an annualized basis), respectively.

	As of March 31, 2019	As of June 30, 2019
	(₹ crore, except ratios and percentages)	
<b>Loan Book*:</b>		
FID (structured financing)	2,314.4	2,275.0
FID (real estate financing)	1,758.2	1,389.4
Capital market financing**	772.3	1,498.6*
SME lending	381.7	340.4
<b>Total</b>	<b>5,226.6</b>	<b>5,503.4</b>
Gross Non Performing Assets (GNPA)	3.7	3.7
Gross Non Performing Assets as Percentage of Loan book (%)	0.1	0.1
Net Non Performing Assets (NNPA)	3.3	3.3
Net Non Performing Assets as Percentage of Loan book (%)	0.1	0.1
Capital Adequacy ratio (%)	25.4	22.3
Tier I ratio (%)	24.9	21.8

\*\*\*Loan book is excluding impact of Ind AS adjustments viz. interest accrued, expected credit loss and effective interest rate aggregating to ₹ (6.0) crore for Fiscal 2019 and excluding impact of Ind AS adjustments viz interest accrued, expected credit loss and effective interest rate aggregating to ₹3.5 crore for three month ended June 30, 2019.

\*\*Includes IPO financing book of ₹ 608.3 crores as of June 30, 2019.

Ratios <sup>(1)</sup>	Fiscal 2019**	Three months ended June 30, 2019**
Yield (%)	12.6	13.3
Cost of Borrowing (%)	9.0	9.6
Net Interest Margin (%)	4.6	4.5
Return On Assets (%)	3.1	3.7
Return On Equity (%)	13.5	15.6

(1) Calculated on an annualized basis

\*\* For March 31, 2019 and June 30, 2019, ROA and ROE are based on Ind AS

3. The following information should be read with 'Diversified funding sources and strong credit profile' beginning on page 95 of the Shelf Prospectus:

	As of March 31, 2019		As of June 30, 2019	
	Amount	Percentage of Grand Total	Amount	Percentage of Grand Total
	(₹ crore)	(%)	(₹ crore)	(%)
Term loans	961.2	21.2	1,110.5	20.3
Non-convertible debentures	2,364.2	52.4	2,609.4	47.8
Finance lease obligation	0.3	0.0	0.3	0.0
Inter corporate deposit	0.0	0.0	0.0	0.0
<b>Total</b>	<b>3,325.7</b>	<b>73.6</b>	<b>3,720.2</b>	<b>68.1</b>
Short Term Loans from Banks (including Working Capital demand loans)	0.0	0.0	10.5	0.2
CBLO	0.0	0.0	0.0	0.0
Cash credit & bank OD	47.4	1.0	38.9	0.7
Commercial papers*	1,123.2	24.8	1,667.0	30.5
Inter corporate deposit	27.1	0.6	25.4	0.5
<b>Total</b>	<b>1,197.7</b>	<b>26.4</b>	<b>1,741.8</b>	<b>31.9</b>
<b>Grand Total</b>	<b>4,523.4</b>	<b>100.0</b>	<b>5,462.0</b>	<b>100.0</b>

\* As of June 30, 2019, commercial paper borrowing includes ₹ 614.6 crore borrowed for the purpose of IPO financing (Nil as of March 31, 2019). Excluding the same, long term and short term borrowing as a percentage of total borrowing stood at 76.7% and 23.3% respectively.

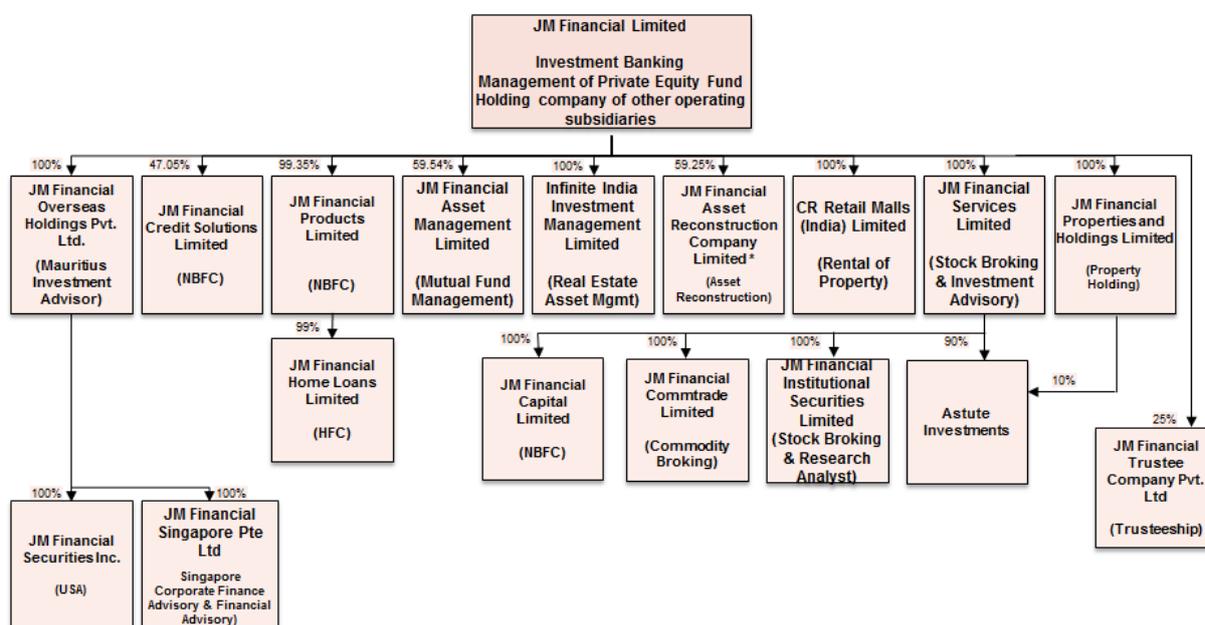
As at March 31, 2019, our capital adequacy ratio, which was computed on the basis of the applicable RBI requirements, was 25.4%, as compared to the minimum capital adequacy requirement of 15.0% as stipulated by the RBI and as at June 30, 2019 CRAR was 22.3%, of which Tier I capital was 21.8%.

4. The following information should be read with 'Our Subsidiary' beginning on page 100 of the Shelf Prospectus:

As of March 31, 2019, the loan book of JMFHL was ₹ 201.4 crore and as of June 30, 2019 the loan book was ₹ 259.2 crore.

## 5. Corporate Structure

The chart below sets out the corporate structure as on June 30, 2019



## 6. Key Performance Indicators

The following tables set forth certain information relating to the financial performance and key performance indicators on a standalone basis as on March 31, 2019:

Parameters	March 31, 2019
	(₹ crore, except number of accounts / groups)
Total Equity	1,560.3
Total Borrowing of which	4,523.4
i) Debt Securities	3,490.3
ii) Borrowings (Other than Debt Securities)	1,033.1
Property, Plant and Equipments and Other Intangible Assets	8.1
Financial Assets (Other than Cash and Cash equivalents & Loan book)	627.4
Non Financial Assets (including Deferred Tax)	70.3
Cash and Cash equivalents	142.4
Bank balance other than cash and cash equivalents	60.1
Financial Liabilities	4,550.0
Loan Book	5,220.6
Interest Income	856.1
Finance Cost	522.0
Impairment on financial instruments	(6.8)
Total Comprehensive Income	204.4
Stage 3 Assets as a percentage of Loan Book under Ind AS (%)	0.1%
Stage 3 Assets net of stage 3 provision as a % of Loan Book	0.1%
CRAR - Tier I Capital Ratio (%)	24.9%
CRAR - Tier II Capital Ration (%)	0.6%

\*The key performance indicators for Fiscal 2016, Fiscal 2017 and Fiscal 2018 as disclosed in the Shelf Prospectus have been prepared in accordance with the Indian GAAP. Please note that on account of change in applicable law, the key performance indicators for March 31,

2019 is prepared in accordance with the IND AS. Therefore, the key performance indicators pertaining to Fiscal 2019 are not comparable with the key performance indicators pertaining to Fiscal 2016, Fiscal 2017 and Fiscal 2018.

7. The following information should be read with the information disclosed on page 103 of the Shelf Prospectus:

	As of March 31, 2019	As of June 30, 2019
	(₹ crore, except ratios and percentages)	
<b>Assets:</b>		
Property, plants and equipments*	8.1	93.0
Loans	5,220.6	5,507.0
Others	892.0	1,610.4
<b>Total Assets</b>	<b>6,120.7</b>	<b>7,210.4</b>
<b>Liabilities:</b>		
Share Capital	544.5	544.5
Reserves and Surplus	1,015.8	1,077.6
Shareholders' Funds	1,560.3	1,622.1
Borrowings	4,523.4	5,543.8**
Other Liabilities	37.0	44.5
<b>Total liabilities</b>	<b>6,120.7</b>	<b>7,210.4</b>
<b>Ratios</b>		
Gross NPA (%)	0.1	0.1
Net NPAs (%)	0.1	0.1
Tier I Ratio (%)	24.9	21.8
Capital Adequacy (%)	25.4	22.3
Debt to Equity	2.9	3.4***
Debt to Equity (excluding IPO related commercial paper borrowing)	2.9	3.0****

\*Includes intangible assets under development & other intangible assets and for June 2019 also includes lease assets (office premises) of ₹ 85.5 crore

\*\*Borrowing includes lease liability as per Ind AS 116 of ₹ 81.9 crore as of June 2019 (Nil for Fiscal 2019).

\*\*\*Debt to Equity ratio is calculated using borrowings (excluding lease liability as per Ind AS 116 of ₹ 81.9 crore as of June 2019 and Nil for Fiscal 2019)

\*\*\*\*Debt to Equity ratio is calculated using borrowings (excluding lease liability as per Ind AS 116 of ₹ 81.9 crore as of June 30, 2019 and Nil for March 31, 2019 and IPO related Commercial Paper borrowing of ₹ 614.6 crore as of June 30, 2019)

## 8. Capital Adequacy Ratio

	A of March 31, 2019	As of June 30, 2019
	(₹ crore, except ratios and percentages)	
Tier I Capital	1,482.5	1,543.6
Tier II Capital	34.4	36.4
<b>Total Capital</b>	<b>1,516.9</b>	<b>1,580.0</b>
<b>Total Risk Weighted Assets</b>	<b>5,961.9</b>	<b>7,097.4</b>
<b>Capital Adequacy Ratio (as a Percentage of Total Risk Weighted Assets (%))</b>		
Tier I Capital	24.9	21.8
Tier II Capital	0.6	0.5
<b>Total Capital</b>	<b>25.4</b>	<b>22.3</b>

## 9. Human Resources

As of June 30, 2019, we had 199 employees across our business verticals.

## 10. Intellectual Property

We do not own the trademark or any other intellectual property. However, for details with respect to the registration of the trademark  dwello, see “Pending Proceedings and Statutory Defaults – Other proceedings” on page 61 of this Tranche II Prospectus.

## III. HISTORY AND MAIN OBJECTS

1. The incidental or ancillary objects of our Company were altered at the meeting of the board of directors held on July 11, 2019, subject to the approval of shareholders at the general meeting, and the following sub clause 54 was added to our memorandum of association:

54. “To provide advisory, syndication or consultancy services to person including individuals, firms, institutions, trusts, societies, government or quasi – government agencies, societies, and body(ies) corporate whether within or outside India in respect of any business or businesses and to provide financial or project related services including for debt / equity or other capital restructuring, in respect of issue of various securities and for loans, guarantees, other financial or credit facilities and related ancillary activities.”

### 2. Subsidiaries or associate companies

As on the date of this Tranche II Prospectus our Company has one subsidiary and no associate company.

## IV. OUR MANAGEMENT

1. Mr. E.A. Kshirsagar and Mr. Dharendra Singh were re – appointed as the independent directors of our Company for a term not exceeding three years from July 2, 2019 to July 1, 2022.
2. The other directorships of Ms. Roshini Bakshi as on the date of this Tranche II Prospectus are set forth below:

S. No.	Other Directorships
1.	Persistent Systems Limited
2.	Modern Food Enterprises Private Limited

3. The other directorships of Mr. Vishal Kampani as on the date of this Tranche II Prospectus are set forth below:

S. No.	Other Directorships
1.	JM Financial Limited
2.	JM Financial Services Limited
3.	JM Financial Capital Limited
4.	JM Financial Institutional Securities Limited
5.	JM Financial Home Loans Limited
6.	J.M. Financial & Investment Consultancy Services Private Limited
7.	Infinite India Investment Management Limited
8.	JM Financial Singapore Pte. Limited
9.	Capital Market Publishers India Private Limited

4. The Board of Directors pursuant to the resolution dated April 26, 2019, approved the upward revision in the salary of our Managing Director, Mr. Vishal Kampani from Rs. 12,00,000 per month to Rs. 13,00,000 per month with effect from April 01, 2019. Further, Mr. Vishal Kampani was paid a remuneration of ₹ 12.65 crores (including performance linked bonus of ₹ 11 crores and other perquisites) for the financial year ended March 31, 2019.
5. The sitting fees and commission paid to the Non-executive Directors and Independent Directors as on March 31, 2019 are set out hereunder:

(in ₹ crore)

Name of the Director	Amount of sitting fees	Amount of commission
Mr. V P Shetty	0.02	0.25
Mr. M. R. Umarji	0.03	0.07
Mr. E A Kshirsagar	0.04	0.08
Mr. Dharendra Singh	0.03	0.07
Ms. Roshini Bakshi	0.01	0.05
Mr. Atul Mehra	NIL	NIL
Mr. Subodh Shinkar	NIL	NIL

6. The shareholders pursuant to the resolution dated July 11, 2019, approved the payment of final dividend of Rs. 0.20 per share aggregating to Rs. 10,89,00,000 for the financial year ended March 31, 2019.
7. The following committees of the Board of Directors were re – constituted pursuant to the resolution dated July 11, 2019 with immediate effect:

(i) *Allotment Committee*

Name of the Director	Designation in the Committee
Mr. Vishal Kampani	Member
Mr. Atul Mehra	Member
Mr. Subodh Shinkar	Member

(ii) *Asset Liability Management Committee*

Name of the Director	Designation in the Committee
Mr. Vishal Kampani	Chairman
Mr. Subodh Shinkar	Member
Mr. Nishit Shah	Member

(iii) *Sponsorship and Credit Committee*

Name of the Director	Designation in the Committee
Mr. Vishal Kampani	Chairman
Mr. Atul Mehra	Member
Mr. Subodh Shinkar	Member

(iv) *NCD Public Issue Committee*

Name of the Director	Designation in the Committee
Mr. V P Shetty	Chairman
Mr. Vishal Kampani	Member
Mr. Atul Mehra	Member
Mr. Subodh Shinkar	Member

(v) *Stakeholders' Relationship Committee*

Name of the Director	Designation in the Committee
Mr. V P Shetty	Chairman
Mr. Vishal Kampani	Member
Mr. Atul Mehra	Member

(vi) *IT Steering Committee*

Name of the Member	Designation in the Committee
Mr. Chaitanya Wagh;	Member
Mr. Sachchidanand Muchandi;	Member
Mr. Nishit Shah;	Member
Mr. Rupesh Samani; and	Member
Mr. Conrad Vincent	Member

8. The terms of reference of the audit committee were revised pursuant to the resolution passed by the Board of Directors on April 26, 2019. The following are the terms of reference of the committee of the audit committee:
- a) Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
  - b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
  - c) Recommending the appointment of internal auditors to the Board and the fixation of their fees.
  - d) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    - i. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
    - ii. Changes, if any, in accounting policies and practices and reasons for the same;
    - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
    - iv. Significant adjustments made in the financial statements arising out of audit findings;
    - v. Qualifications in the draft audit report.
  - e) Reviewing, with the management, the financial statements before submission to the board for approval.
  - f) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
  - g) Reviewing the internal audit report and to discuss with the internal auditors of any significant findings and follow up action.
  - h) Review compliance with the provisions of the SEBI (Prohibition of Insider Trading), Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

9. **Debenture/Subordinated Debt holding of Directors:**

Name of the Director	Holdings as on date
Mr. V P Shetty	6000
Mr. Vishal Kampani	50000

10. Mr. Rupesh Samani was appointed as the Company Secretary and Compliance Officer of our Company with effect from July 11, 2019 and Ms. Reena Sharda ceased to be the Company Secretary and Compliance Officer of our Company with effect from July 2, 2019.
11. The residential address of Mr. Subodh Shinkar, our Non – executive Director, was changed to Flat No. ME II – 2902, Marathon Era – II, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013.
12. Mr. Amit Jhalaria was appointed as the Chief Risk Officer of our Company for a period of five years with effect from June 15, 2019 to June 14, 2024, in accordance with the circular no. DNBR (PD) CC. No. 099/03.10.001/2018 – 2019 dated May 16, 2019 issued by RBI.

## V. OUR PROMOTER

### Shareholding Pattern of our Promoter as on June 30, 2019:

#### Summary Statement of holding of specified securities

Category (I)	Category of shareholder (II)	No of shareholders (III)\$	No of fully paid-up equity shares held (IV)	No of Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total no. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding and in g convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)@
								No of Voting Rights			Total as a % of (A+B+C)			No . (a)	As a % of total shares held (b)	No . (a)	As a % of total shares held (b)	
								Class eg: X	Class eg: Y	Total								
(A)	Promoter & Promoter Group*	12	521,433,258	-	-	521,433,258	62.01	521,433,258	-	521,433,258	62.01	-	62.01	-	-	-	-	521,433,258
(B)	Public	56,736	319,435,526	-	-	319,435,526	37.99	319,435,526	-	319,435,526	37.99	-	37.99	-	-	-	-	316,850,134
(C)	Non Promoter-Non Public	NA																
	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0.00	0	0	0	0	0	0	0
	Shares held by Employee Trusts	0		0	0	0	0	0	0	0	0.00	0	0	0	0	0	0	0
	<b>Total</b>	<b>56,748</b>	<b>840,868,784</b>	<b>-</b>	<b>-</b>	<b>840,868,784</b>	<b>100.00</b>	<b>840,868,784</b>	<b>-</b>	<b>840,868,784</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>838,283,392</b>
\$ Number of Shareholders are consolidated on the basis of PAN.								@ As of June 30, 2019 based on the beneficiary position with the Depositories.										
* Includes person(s) having control over the Company and person(s) acting in concert. Shareholding of the Promoter/Promoter Group as above has been consolidated on the basis of PAN in accordance with the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017.																		

Statement of holding of Promoter and Promoter Group

(1)	Category & Name of the shareholders (I)	PAN (II)	No of shareholder (III)\$	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total no. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)**		Number of equity shares held in dematerialized form (XIV)@	
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
									Class eg: X	Class eg: Y									Total
(a)	<b>Indian Individuals/H.U.F</b>		5	180,626,250	-	-	180,626,250	21.48	180,626,250	NA	180,626,250	21.48	NA	21.48	-	-	-	-	180,626,250
1	Nimesh Kampani∞	AAHPK2701P		124,500,000	-	-	124,500,000	14.81	124,500,000		124,500,000	14.81		14.81					124,500,000
2	Aruna Kampani#	AAPPK2879N		35,451,250	-	-	35,451,250	4.22	35,451,250		35,451,250	4.22		4.22					35,451,250
3	Amishi Akash Gambhir#^	ANLPK3297K		8,000,000	-	-	8,000,000	0.95	8,000,000		8,000,000	0.95		0.95					8,000,000
4	Vishal Kampani#	AABPK5329F		11,425,000	-	-	11,425,000	1.36	11,425,000		11,425,000	1.36		1.36					11,425,000
5	Nimesh Kampani HUF*	AAAHN3025Q		1,250,000	-	-	1,250,000	0.15	1,250,000		1,250,000	0.15		0.15					1,250,000
(b)	Central/State Government(s)	NA	0	-	-	-	-	-	-	NA	-	-	NA	-	-	-	-	-	-
(c)	Financial Institutions/Banks	NA	0	-	-	-	-	-	-	NA	-	-	NA	-	-	-	-	-	-
(d)	<b>Any Other (Specify)</b>																		
a)	<b>Bodies Corporate</b>		7	340,807,008	-	-	340,807,008	40.53	340,807,008	NA	340,807,008	40.53	NA	40.53	-	-	-	-	340,807,008
1	J. M. Financial And Investment Consultancy Services Private Limited	AAACJ1237H		216,034,100	-	-	216,034,100	25.69	216,034,100		216,034,100	25.69		25.69					216,034,100
2	J. M. Assets Management	AAACJ1238J		103,042,900	-	-	103,042,900	12.25	103,042,900		103,042,900	12.25		12.25					103,042,900

	Category & Name of the shareholders (I)	PAN (II)	No of shareholder (III)\$	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total no. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)**		Number of equity shares held in dematerialized form (XIV)@
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
									Class eg: X	Class eg: Y								
	Private Limited			908			8		908		908							8
3	JSB Securities Limited	AAACJ1402A		6,505,000	-	-	6,505,000	0.77	6,505,000		6,505,000	0.77		0.77				6,505,000
4	SNK Investments Private Limited	AAECS8123R		11,760,000	-	-	11,760,000	1.40	11,760,000		11,760,000	1.40		1.40				11,760,000
5	Persepolis Investment Company Private Limited	AAACP2510P		1,650,000	-	-	1,650,000	0.20	1,650,000		1,650,000	0.20		0.20				1,650,000
6	Kampani Consultants Limited	AAACK4250F		685,000	-	-	685,000	0.08	685,000		685,000	0.08		0.08				685,000
7	JM Financial Trustee Company Private Limited	AAACJ2579E		1,130,000	-	-	1,130,000	0.13	1,130,000		1,130,000	0.13		0.13				1,130,000
	<b>Sub-Total (A)(1)</b>		<b>12</b>	<b>521,433,258</b>	-	-	<b>521,433,258</b>	<b>62.01</b>	<b>521,433,258</b>	<b>NA</b>	<b>521,433,258</b>	<b>62.01</b>	<b>NA</b>	<b>62.01</b>	-	-	-	<b>521,433,258</b>
	<b>Foreign</b>	<b>NA</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(2)	Individuals (Non-Resident Individuals/ Foreign Individuals)		0	-	-	-	-	-	-	NA	NA	NA	NA	-	-	-	-	-
(a)	Government		0	-	-	-	-	-	-	NA	NA	NA	NA	-	-	-	-	-
(b)	Institutions		0	-	-	-	-	-	-	NA	NA	NA	NA	-	-	-	-	-
(c)	Foreign Portfolio Investor		0	-	-	-	-	-	-	NA	NA	NA	NA	-	-	-	-	-
(d)	Any Other (Specify)		0	-	-	-	-	-	-	NA	NA	NA	NA	-	-	-	-	-
(e)	<b>Sub-Total (A)(2)</b>		<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Category & Name of the shareholders (I)	PAN (II)	No of shareholder (III)\$	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total no. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)**		Number of equity shares held in dematerialized form (XIV)@
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg: X	Class eg: Y	Total								
Total Shareholding of Promoter and Promoter Group (A)=(A)(I)+(A)(2)		12	521,433,258	-	-	521,433,258	62.01	521,433,258	NA	521,433,258	62.01	NA	62.01	-	-	-	-	521,433,258
# Relative of a person who is in control of the company																		
∞ Person who is in control of the Company *Represents Nimesh Kampani HUF																		
^@ As of June 30, 2019 based on the beneficiary position with the Depositories.																		
(**) The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011																		
\$ Shareholding of the Promoter/Promoter Group as above has been consolidated on the basis of PAN in accordance with the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017																		
Mr. Nimesh Kampani, alone and together with his relatives viz. Ms. Aruna Kampani, Mr. Vishal Kampani and Ms. Amishi Gambhir hold 21.48% (including Nimesh Kampani HUF) directly and 40.53% indirectly, with the above individuals, through various body corporate(s)																		

Statement of holding of public shareholding

(1)	Category & Name of the shareholders (I)	PAN (II)	Nos of shareholder (III)\$	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)@
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable)(b)	
									Class eg: X	Class eg: Y	Total								
(1)	Institutions																		

	Category & Name of the shareholders (I)	PAN (II)	Nos of shareholder (III)\$	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)@	
									No of Voting Rights					Total as a % of Total Voting Rights	No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)		As a % of total shares held (Not applicable)(b)
									Class eg: X	Class eg: Y	Total								
(a)	Mutual Fund/UTI		6	31,910,681	0	0	31,910,681	3.79	31,910,681	NA	31,910,681	3.79	NA	0	0	NA	31,910,681		
	Reliance Emergent India Fund	AAATR0090B		11,794,483	0	0	11,794,483	1.40	11,794,483	NA	11,794,483	1.40	NA				11,794,483		
	Sundaram Mutual Fund A/C Sundaram Mid Cap Fund	AAATS2554B		9,116,807	0	0	9,116,807	1.08	9,116,807	NA	9,116,807	1.08	NA				9,116,807		
(b)	Venture Capital Funds		0	-	0	0	-	0	-	NA	-	0.00	NA	0	0	NA	-		
(c)	Alternate Investment Funds		2	829,777	0	0	829,777	0.10	829,777	NA	829,777	0.10	NA	0	0	NA	829,777		
(d)	Foreign Venture Capital Investors		0	-	0	0	-	0	-	NA	-	0.00	NA	0	0	NA	-		
(e)	Foreign Portfolio Investors		126	166,659,493	0	0	166,659,493	19.82	166,659,493	NA	166,659,493	19.82	NA	0	0	NA	166,659,493		
	Valiant Mauritius Partners Offshore Limited	AACCV8509Q		22,017,954	0	0	22,017,954	2.62	22,017,954	NA	22,017,954	2.62	NA	0	0	NA	22,017,954		
	Baron Emerging Markets Fund	AAECB4051F		20,890,049	0	0	20,890,049	2.48	20,890,049	NA	20,890,049	2.48	NA	0	0	NA	20,890,049		
	SAIF India VI FI Holdings Limited	AAZCS6367E		15,121,775	0	0	15,121,775	1.80	15,121,775	NA	15,121,775	1.80	NA	0	0	NA	15,121,775		
	TIMF Holdings	AAFCT0480M		14,288,022	0	0	14,288,022	1.70	14,288,022	NA	14,288,022	1.70	NA	0	0	NA	14,288,022		
	Valiant Mauritius Partners Limited	AACCV8506B		12,553,218	0	0	12,553,218	1.49	12,553,218	NA	12,553,218	1.49	NA	0	0	NA	12,553,218		
	The Wellington Trust Company National Association	AAATW1456C		10,328,131	0	0	10,328,131	1.23	10,328,131	NA	10,328,131	1.23	NA	0	0	NA	10,328,131		

	Category & Name of the shareholders (I)	PAN (II)	Nos of shareholder (III)\$	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)@	
									No of Voting Rights					Total as a % of Total Voting Rights	No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)		As a % of total shares held (Not applicable)(b)
									Class eg: X	Class eg: Y	Total								
	Multiple Common Trust Funds Trust Emerging Markets Local Equity Portfolio																		
	Fidelity Investment Trust Fidelity Series Emerging	AAATF2631A		9,961,116	0	0	9,961,116	1.18	9,961,116	NA	9,961,116	1.18	NA	1.18	0	0		NA	9,961,116
(f)	Financial Institutions/Banks		2	483,399	0	0	483,399	0.06	483,399	NA	483,399	0.06	NA	0.06	0	0		NA	483,399
(g)	Insurance Companies		0	-		0	-	0.00	-	NA	-	0.00	NA	0.00	0	0		NA	-
(h)	Provident Funds/Pension Funds		0	-	0	0	-	0	-	NA	-	0.00	NA	0.00	0	0		NA	-
	<b>Sub- Total (B)(1)</b>		<b>136</b>	<b>199,883,350</b>	<b>0</b>	<b>0</b>	<b>199,883,350</b>	<b>23.77</b>	<b>199,883,350</b>	<b>NA</b>	<b>199,883,350</b>	<b>23.77</b>	<b>NA</b>	<b>23.77</b>	<b>0</b>	<b>0.00</b>		<b>NA</b>	<b>199,883,350</b>
(2)	<b>Central Government/State Government(s)/P resident of India</b>		0	0	0	0	-	0	-	NA	-	0.00	NA	0	0	0		NA	-
	<b>Sub- Total (B)(2)</b>		0	0			-	0.00	-	NA	-	0.00	NA	0	0	<b>0.00</b>		NA	-
(3)	<b>Non- Institutions</b>											0.00						NA	
(a)	<b>Individuals -</b> i. Individual shareholders holding nominal share capital up to Rs.2 lakhs.		54,665	49,353,538	0	0	49,353,538	5.87	49,353,538	NA	49,353,538	5.87	NA	5.87	0	0		NA	46,806,646
	ii. Individual shareholders holding nominal		46	41,478,853	0	0	41,478,853	4.93	41,478,853	NA	41,478,853	4.93	NA	4.93	0	0		NA	41,478,853

	Category & Name of the shareholders (I)	PAN (II)	Nos of shareholder (III)\$	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Total Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)@	
									No of Voting Rights					Total as a % of Total Voting Rights	No. (Not applicable) (a)	As a % of total shares held (b)	No. (Not applicable) (a)		As a % of total shares held (Not applicable)(b)
									Class eg: X	Class eg: Y	Total								
	share capital in excess of Rs.2 lakhs.																		
(b)	NBFCs registered with RBI		12	64,124	0	0	64,124	0.01	64,124	NA	64,124	0.01	NA	0.01	0	0	NA		64,124
(c)	Employee Trust		0	-	0	0	-	0.00	-	NA	-	0.00	0	0.00	0	0	NA		-
(d)	Overseas Depositories (holding DRs) (balancing figure)		0	-	0	0	-	0	-	NA	-	0.00	NA	0	0	0	NA		-
(e)	Any Other (Specify)		1,877	28,655,661	0	0	28,655,661	3.41	28,655,661	NA	28,655,661	3.41	NA	3.41	0	0	NA		28,617,161
i)	Bodies Corporate		657	13,041,615	0	0	13,041,615	1.55	13,041,615	NA	13,041,615	1.55	NA	1.55	0	0	NA		13,013,115
ii)	Clearing Member		62	141,562	0	0	141,562	0.02	141,562	NA	141,562	0.02	NA	0.02	0	0	NA		141,562
iii)	Non Resident Indians		802	13,292,051	0	0	13,292,051	1.58	13,292,051	NA	13,292,051	1.58	NA	1.58	0	0	NA		13,282,051
	<i>Vikram Shankar Pandit</i>	<i>BMBPP6041G</i>		<i>11,646,939</i>	<i>0</i>	<i>0</i>	<i>11,646,939</i>	<i>1.39</i>	<i>11,646,939</i>	<i>NA</i>	<i>11,646,939</i>	<i>1.39</i>	<i>NA</i>	<i>1.39</i>	<i>0</i>	<i>0</i>	<i>NA</i>		<i>11,646,939</i>
iv)	Non Resident Indian Non Repatriable		348	856,781	0	0	856,781	0.10	856,781	NA	856,781	0.10	NA	0.10	0	0	NA		856,781
v)	Trust		5	4,400	0	0	4,400	0.00	4,400	NA	4,400	0.00	NA	0.00	0	0	NA		4,400
vi)	Any Other (specify)-IEPF		1	1,318,809	0	0	1,318,809	0.16	1,318,809	NA	1,318,809	0.16	NA	0.16	0	0	NA		1,318,809
vii)	Foreign Nationals		2	443	0	0	443	0.00	443	NA	443	0.00	NA	0.00	0	0	NA		443
	<b>Sub- Total (B)(3)</b>		<b>56,600</b>	<b>119,552,176</b>	<b>0</b>	<b>0</b>	<b>119,552,176</b>	<b>14.22</b>	<b>119,552,176</b>	<b>NA</b>	<b>119,552,176</b>	<b>14.22</b>	<b>NA</b>	<b>14.22</b>	<b>0</b>	<b>0.00</b>	<b>NA</b>		<b>116,966,784</b>

Category & Name of the shareholders (I)	PAN (II)	Nos of shareholder (III)\$	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Total Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)@
								No of Voting Rights		Total as a % of Total Voting Rights			No.	As a % of total shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable)(b)	
								Class eg: X	Class eg: Y								
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>		56,736	319,435,526	0	0	319,435,526	37.99	319,435,526	NA	37.99	NA	0	0.00	NA	NA	316,850,134	
\$ Shareholding of the public shareholders as above has been consolidated on the basis of PAN in accordance with the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017. @ As of June 30, 2019 based on the beneficiary position with the Depositories.																	

*Statement of holding of Non – promoter and Non – public shareholder*

	Category & Name of the shareholders (I)	PAN (II)	Nos of shareholder (III)\$	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) (VIII)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Total Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)@
									No of Voting Rights		Total as a % of Total Voting Rights			No.	As a % of total shares held	No. (Not applicable)	As a % of total shares held (Not applicable)	
									Class eg: X	Class eg: Y								
(1)	Custodian/DR Holder	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(a)	Name of DR Holder (If available)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(2)	Employee Benefit Trust (Under SEBI (Share based Employee Benefit ) Regulations, 2014)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Category & Name of the shareholders (I)	PAN (II)	Nos of share holder (III)\$	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Total Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)@
								No of Voting Rights			Total as a % of Total Voting Rights			No.	As a % of total shares held	No. (Not applicable)	As a % of total shares held (Not applicable)	
								Class eg: X	Class eg: Y	Total								
Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

\$ Shareholding of the non promoter non public shareholder as above has been consolidated on the basis of PAN in accordance with the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017.  
@ As of June 30, 2019 based on the beneficiary position with the Depositories.

## VI. CAPITAL STRUCTURE

### Details of share capital

The share capital of our Company as of June 30, 2019

		Amount in ₹
<b>A</b>	<b>Authorised share capital</b>	
	1,10,00,00,000 Equity Shares of ₹ 10.0 each	11,00,00,00,000.0
	10,00,00,000 Preference Shares of ₹ 10.0 each	1,00,00,00,000.0
	<b>TOTAL</b>	<b>12,00,00,00,000.0</b>
<b>B</b>	<b>Issued, subscribed and paid-up share capital</b>	
	54,45,00,000 Equity Shares of ₹ 10.0 each	5,44,50,00,000.0
<b>C</b>	<b>Securities Premium Reserve</b>	<b>38,22,52,000.0</b>

This Issue will not result in any change of the paid up capital and securities premium reserve of our Company.

### Changes in the authorised share capital of our Company as of June 30, 2019

Details of increase in authorised share capital since incorporation are set forth as below:

S.No.	Particulars of increase	Date of Shareholders' meeting	AGM/EGM
1.	Increase in authorised share capital from ₹ 50,000.0 to ₹ 1,00,00,000.0 divided into 9,97,000.0 Equity Shares of ₹ 10.0 each and 300 Equity Shares of ₹ 100.0 each	September 1, 1986	EGM
2.	Increase in authorised share capital from ₹ 1,00,00,000.0 to ₹ 1,00,01,000.0 divided into 10,00,000.0 Equity Shares of ₹ 10.0 each and 10 Preference Shares of ₹ 100.0 each	February 6, 1992	EGM
3.	Increase in authorised share capital from ₹ 1,00,01,000.0 to ₹ 10,00,00,000.0 divided into 60,00,000.0 Equity Shares of ₹ 10.0 each and 40,00,000 Preference Shares of ₹ 10.0 each	March 29, 2006	EGM
4.	Increase in authorised share capital from ₹ 10,00,00,000.0 to ₹ 30,00,00,000.0 divided into 1,75,00,000.0 Equity Shares of ₹ 10.0 each and 1,25,00,000 Preference Shares of ₹ 10.0 each	February 9, 2007	EGM
5.	Increase in authorised share capital from ₹ 30,00,00,000.0 to ₹ 50,00,00,000.0 divided into 4,95,00,000.0 Equity Shares of ₹ 10.0 each and 5,00,000 Preference Shares of ₹ 10.0 each	October 29, 2007	EGM
6.	Increase in authorised share capital from ₹ 50,00,00,000.0 to ₹ 1,200,00,00,000.0 divided into 110,00,00,000.0 Equity Shares of ₹ 10.0 each and 10,00,00,000 Preference Shares of ₹ 10.0 each	December 13, 2007	EGM

## Notes to capital structure

### Share capital history of our Company

Equity Share capital history of our Company as of June 30, 2019

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
Upon incorporation	20	10.0	10.0	Cash	Allotment to subscribers(1)	20	200.0	-
March 30, 1992	9,99,980	10.0	10.0	Cash	Rights Issue (2)	10,00,000	1,00,00,000.0	-
March 31, 2006	50,00,000	10.0	100.0	Cash	Further issue of equity shares (3)	60,00,000	6,00,00,000.0	45,00,00,000.0
October 29, 2007	1,15,00,000	10.0	-	-	Conversion of preference shares to equity shares(4)	1,75,00,000	17,50,00,000.0	-
October 29, 2007	1,60,00,000	10.0	125.0	Cash	Rights Issue (5)	3,35,00,000	33,50,00,000.0	2,29,00,00,000.0
November 7, 2007	1,60,00,000	10.0	125.0	Cash	Rights Issue(6)	4,95,00,000	49,50,00,000.0	4,13,00,00,000.0
December 14, 2007	49,50,00,000	10.0	-	-	Allotment of Bonus Shares(7)	54,45,00,000	5,44,50,00,000.0	4,13,00,00,000.0

- Allotment of Equity Shares to Mr. Nimesh Kampani (10) and Mr. S. Anantharam (10)
- Allotment of Equity Shares on right basis to J. M. Financial & Investment Consultancy Services Private Limited (9,99,980)
- Allotment of Equity Shares to JMFL.(50,00,000)
- Conversion of Preference Shares held by JMFL to Equity Shares (1,15,00,000).
- Allotment of Equity Shares on right basis to JMFL.(1,60,00,000)
- Allotment of Equity Shares on right basis to JMFL. (1,60,00,000)
- Allotment of Bonus Shares to JMFL. (49,50,00,000)

Our Company has not issued any equity shares for consideration other than cash in the two financial years immediately preceding the date of this Tranche II Prospectus.

Preference Share capital history of our Company as of June 30, 2019

Date of allotment	No. of Preference Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Preference Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
February 6, 1992	10	100.0	100.0	Cash	Further issue of preference shares (1)	10	1,000.0	-
February 6, 2002	(10)	100.0	-	-	Redemption of preference shares (2)	-	-	-
March 31, 2006	40,00,000	10.0	100.0	Cash	Further issue of preference shares (3)	40,00,000	4,00,00,000.0	36,00,00,000.0
February 1, 2007	25,00,000	10.0	100.0	Cash	Further issue of preference shares (4)	65,00,000	6,50,00,000.0	58,50,00,000.0
February 13, 2007	50,00,000	10.0	100.0	Cash	Further issue of preference shares (5)	1,15,00,000	11,50,00,000.0	1,03,50,00,000.0
October 29, 2007	(1,15,00,000)	10.0	-	-	Conversion of preference shares to equity shares(6)	-	-	-

1. Allotment of Preference Shares to Mr. Nimesh Kampani jointly with Ms. Aruna Kampani (10)
2. Redemption of Preference Shares (10)
3. Allotment of 9% Optionally Convertible Non-cumulative Redeemable Preference Shares to JMFL (40,00,000)
4. Allotment of 9% Optionally Convertible Non-cumulative Redeemable Preference Shares to JMFL (25,00,000)
5. Allotment of 9% Optionally Convertible Non-cumulative Redeemable Preference Shares to JMFL (50,00,000)
6. Conversion of 9% Optionally Convertible Non-cumulative Redeemable Preference Shares held by JMFL to equity shares (1,15,00,000)

Share holding pattern of our Company as of June 30, 2019

Category	Category & Name of shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (A+B+C2)	Number of Shares pledged or otherwise encumbered		Category
						No. (a)	As a % of total Shares held(b)	
<b>A</b>	<b>Shareholding pattern of the Promoter and Promoter Group</b>							
<b>1</b>	<b>Indian</b>							
(a)	Individuals / Hindu Undivided Family	0	0	0	0.0000	0	0.0000	0
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0.0000	0
(c)	Bodies Corporate	6*	54,09,60,150	54,09,60,150	99.35	0	0.0000	54,09,60,150
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0.0000	0
(d)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	<b>Sub Total (A)(1)</b>	<b>6</b>	<b>54,09,60,150</b>	<b>54,09,60,150</b>	<b>99.35</b>	<b>0</b>	<b>0.0000</b>	<b>54,09,60,150</b>
<b>2</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0.0000	0
(b)	Government	0	0	0	0.0000	0	0.0000	0
(c)	Institutions	0	0	0	0.0000	0	0.0000	0

Category	Category & Name of shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (A+B+C2)	Number of Shares pledged or otherwise encumbered		Category
						No. (a)	As a % of total Shares held(b)	
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0.0000	0
(e)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>
	<b>Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>6</b>	<b>54,09,60,150</b>	<b>54,09,60,150</b>	<b>99.35</b>	<b>0</b>	<b>0.0000</b>	<b>54,09,60,150</b>
<b>B</b>	<b>Public shareholder</b>							
<b>1</b>	<b>Institutions</b>							
(a)	Mutual Fund	0	0	0	0.0000	0	0.0000	0
(b)	Venture Capital Funds	0	0	0	0.0000	0	0.0000	0
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0.0000	0
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0.0000	0
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0.0000	0
(f)	Financial Institutions / Banks	0	0	0	0.0000	0	0.0000	0
(g)	Insurance Companies	0	0	0	0.0000	0	0.0000	0
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0.0000	0
(i)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	JM Financial Group Employees' Welfare Trust	1	35,39,850	35,39,850	0.65	0	0.0000	35,39,850
	<b>Sub Total (B)(1)</b>	<b>1</b>	<b>35,39,850</b>	<b>35,39,850</b>	<b>0.65</b>	<b>0</b>	<b>0.0000</b>	<b>35,39,850</b>
<b>2</b>	<b>Central Government/ State Government(s)/ President of India</b>							
	Central Government / State Government(s)	0	0	0	0.0000	0	0.0000	0
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>
<b>3</b>	<b>Non-Institutions</b>							
(a)	Individuals		0	0	0.0000	0	0.0000	0
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	0	0	0	0.0000	0	0.0000	0
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	0	0	0	0.0000	0	0.0000	0
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0.0000	0
(c)	Employee Trusts	0	0	0	0.0000	0	0.0000	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0.0000	0
(e)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	Trusts	0	0	0	0.0000	0	0.0000	0
	Foreign Nationals	0	0	0	0.0000	0	0.0000	0
	Hindu Undivided Family	0	0	0	0.0000	0	0.0000	0

Category	Category & Name of shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (A+B+C2)	Number of Shares pledged or otherwise encumbered		Category
						No. (a)	As a % of total Shares held(b)	
	Foreign Companies	0	0	0	0.0000	0	0.0000	0
	Non Resident Indians (Non Repat)	0	0	0	0.0000	0	0.0000	0
	Non Resident Indians (Repat)	0	0	0	0.0000	0	0.0000	0
	Foreign Portfolio Investor (Individual)	0	0	0	0.0000	0	0.0000	0
	Clearing Member	0	0	0	0.0000	0	0.0000	0
	Bodies Corporate	0	0	0	0.0000	0	0.0000	0
	<b>Sub Total (B)(3)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>1</b>	<b>35,39,850</b>	<b>35,39,850</b>	<b>0.65</b>	<b>0</b>	<b>0.0000</b>	<b>35,39,850</b>
<b>C</b>	<b>Total Non-Promoter- Non Public Shareholding</b>							
<b>1</b>	Custodian/DR Holder	0	0	0	0.0000	0	0.0000	0
<b>2</b>	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0.0000	0
	<b>Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>
	<b>Total</b>	<b>7</b>	<b>54,45,00,000</b>	<b>54,45,00,000</b>	<b>100.0000</b>	<b>0</b>	<b>0.0000</b>	<b>54,45,00,000</b>

\*Out of 54,09,39,050 Equity Shares held by JMFL, 5 Equity Shares are held by it jointly with its five nominees and hence, the promoter is only one entity viz., JMFL and not six promoters.

**Note:** 21,100 Equity Shares were transferred from JM Financial Group Employee' Welfare Trust to JMFL.

**Our top ten shareholders and the number of Equity Shares held by them as on June 30, 2019**

S. No.	Name*	No. of Equity Shares (face value of ₹ 10 each)	No. of Equity Shares in demat form	As % of total number of shares
1.	JMFL	54,09,60,150*	54,09,60,150*	99.35
2.	JM Financial Group Employees' Welfare Trust	35,39,850	35,39,850	0.65
	<b>TOTAL</b>	<b>54,45,00,000</b>	<b>54,45,00,000</b>	<b>100</b>

\*inclusive of 5 Equity Shares jointly held by JMFL with its five nominees

**The list of top ten debenture holders as of July 26, 2019**

S. No.	Name of holder	Address of holder	Aggregate amount (in ₹ crores)
1.	ICICI Prudential Mutual Fund	HDFC Bank Limited, Custody Services, Lodha-I Think Techno Campus, Office Floor8, Kanjurmarg ( East ), Mumbai - 400 042.	598.3
2.	Aditya Birla Sunlife Mutual Fund	Citibank N.A. Custody Services FIFC-11th Floor, G Block, Plot C-54 and C-55, Bandra Kurla Complex, Bandra ( East). Mumbai - 400 098.	300.0
3.	Bank of Baroda	DGM Bank of Baroda, Specialised Integrated Treasury Branch BST, 4th and 5th Floor, C-34, G-Block, Bandra Kurla Complex, Bandra ( East ) Mumbai - 400 051.	150.0
4.	UTI Mutual Fund	UTI Mutual Fund, UTI Asset Management Company Ltd, Dept. of Fund Accounts. UTI Tower, GN Block, Bandra Kurla Complex, Bandra ( East), Mumbai -400 051.	127.4
5.	L & T Mutual Fund	Citibank N.A. Custody Services FIFC-11th Floor, G Block, Plot C-54 and C-55, Bandra Kurla Complex, Bandra ( East). Mumbai - 400 098.	108.0
6.	Kotak Mahindra Mutual Fund	Deutsche Bank AG, DB House, Hazarimal Somani Marg, PO Box No. 1142, Fort, Mumbai-400 001	65.0
7.	Adani Ports And Special Economic Zone Limited	Adani House, Near Mithakhali Six Road, Navrangpura, Ahmedabad - 380 009.	55.0
8.	Bajaj Holdings And Investment Ltd	Bajaj Auto Ltd Complex , Mumbai Pune Road, Akurdi , Pune -411 035.	50.0
9.	Britania Industries Limited	5/1 A HungerFord Street , Kolkata - 700 017	50.0
10.	HDFC Mutual Fund	HDFC Bank Limited, Custody Services, Lodha-I Think Techno Campus, Office Floor8, Kanjurmarg ( East ), Mumbai - 400 042.	45.0

\*The address of the debenture holders have been obtained from the beneficiary position statement made available made by the RTA, viz., Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited).

**Debt to equity ratio**

The debt to equity ratio prior to this Issue is based on a total outstanding debt of ₹ Rs.5,461.8\*\* crore and shareholder funds amounting to ₹ 1,622.1 crore as on June 30, 2019. The debt equity ratio post the Issue, (assuming subscription of NCDs aggregating to ₹ 500 crore) would be 3.7 times, based on a total outstanding debt of ₹ 5,961.8 crore and shareholders funds of ₹ 1,622.1 crore as on June 30, 2019.

(in ₹ crore)

Particulars	Prior to the Issue (as of June 30, 2019)	Post the Issue#
Debt Securities	4,276.3	4,776.3
Borrowings (Other than debt securities)**	1,185.6	1,185.6
<b>Total Debt</b>	<b>5,461.8</b>	<b>5,961.8</b>
Equity Share capital	544.5	544.5
Other Equity	1,077.6	1,077.6
Less: Miscellaneous Expenditure (to the extent not written	0.0	0.0

Particulars	Prior to the Issue (as of June 30, 2019)	Post the Issue#
off or adjusted)		
<b>Total Shareholders' Funds</b>	1,622.1	1,622.1
<b>Debt Equity Ratio (No. of Times)#</b>	3.4	3.7

\*\* Borrowing (other than debt securities) are excluding the lease liability as per Ind AS 116 of ₹ 81.9 crore as of June 30, 2019.

#The debt-equity ratio post the Issue is indicative and is on account of assumed inflow of ₹ 500 crores from the Issue and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment. Out of the total Shelf Limit of ₹ 2,000 crore, our Company has already allotted 38,69,760 debentures of ₹ 1,000 each aggregating to ₹ 386.98 crore on May 21, 2019.

For details on the total outstanding debt of our Company, please refer to the section titled “Disclosures on Existing Financial Indebtedness” beginning on page 48 of this Tranche II Prospectus.

Except 21,100 Equity Shares which were transferred from JM Financial Group Employee' Welfare Trust to JMFL, no other securities including shares of our Company were either purchased or sold by the Promoter Group, Directors of our Company and their relatives within 6 months immediately preceding the date of this Tranche II Prospectus.

We confirm that no securities of any subsidiary company of our Company have been purchased or sold by the Promoter Group, Directors of our Company and their relatives within 6 months immediately preceding the date of this Tranche II Prospectus.

#### **ESOP Scheme**

The Board of Directors of our Company in their meeting dated November 21, 2007 had given their approval for institution of the “Employees Stock Option Plan”.

### **VII. DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS**

The outstanding borrowings of our Company as on June 30, 2019#, are as follows:

(In ₹ crore)

S.No.	Nature of borrowings	Amount* @!
1.	Secured borrowings*	3,534.2
2.	Unsecured borrowings**	1,781.7
	<b>Total</b>	<b>5,315.9</b>

\*Borrowing through non convertible debentures shown at face value without considering premium / unamortized discount on issue of Rs. 1.3 Crore.

\*\*Borrowing through commercial papers shown at face value without considering discount of Rs. 34.7 Crore.

#Total borrowing is excluding effective interest rate and NCD issue expenses impact amounting to Rs. 18.7 Crore.

@Interest / Premium accrued but not due on borrowings amounting to Rs. 198.1 Crore.

!Total borrowing is excluding lease liability as per IND AS 116 amounting to Rs. 81.9 Crore.

Set forth below, is a summary of the borrowings by our Company as at June 30, 2019 together with a brief description of certain significant terms of such financing arrangements.

#### **A. Details of Secured Borrowings:**

Our Company's secured borrowings as on June 30, 2019 amount to ₹ 3,534.2 crores. The details of the individual borrowings are set out below:

##### **1. Cash Credit facilities availed by our Company**

(In ₹ crore)

S. No.	Bank	Date of Sanction	Amount sanctioned	Amount outstanding as on June 30, 2019	Security	Repayment	Penalty
1.	IDBI Bank	January 15, 2016 and	100	0.0	Secured by way of a floating first par-passu	On demand	Diversion of facilities to inter-corporate deposits,

		September 05, 2017 and further modified by letter dated October 25, 2018			charge by way of hypothecation of the Company's loan receivables / book debts, with an asset cover of at least 1.25 times.		debentures, stocks and shares, etc and inability to meet other terms and conditions will result in withdrawal of facilities and a penal interest of 2% over and above the rate charges will be enforced till the repayment.  Delay in submission of stock and debtors statements and cash flow statements will attract penal interest 2% over and above the rate charged.
2.	Bank of Baroda	March 28, 2018 and further modified by sanction letter dated July 31, 2018	100	0.0	Secured by way of a first pari-passu charge on the Company's loan receivables with an asset cover of at least 1.25 times.	On demand	The bank will charge/levy penal interest at 2% p.a. on the entire outstanding above the rate applicable if there is non-compliance of terms and conditions, irregularities in account, non-submission/delayed submission of book debt statement, default in payment.
		<b>TOTAL</b>	<b>200</b>	<b>0.0</b>			

2. **Term Loans availed by our Company\*@**

(In ₹ crore)

S. No.	Bank	Date of sanction	Amount sanctioned	Amount outstanding as on June 30, 2019	Security	Repayment	Pre-payment	Penalty
1.	Bank of India	June 28, 2017 and further modified by letters dated August 01, 2017 and November 12, 2018	200.0	103.3	Secured by a first pari-passu charge by way of hypothecation of loan receivables/book-debts of company.  Minimum 1.25 times security cover to be maintained at all the times	Repayment in 12 quarterly equal installments of Rs. 16.67 crore, after 4 quarters of moratorium i.e. door to door tenor of 16 quarters.	N.A.	Penal interest of 2% p.a. will be levied on the overdue amount.  Any default in complying with terms of sanction will attract penal interest of 1% p.a.  Non-submission of stock/book debts by 20 <sup>th</sup> of the succeeding month and delay in submission of financial statements will attract penal interest 1% p.a.
2.	Canara Bank	September 28, 2017	200.0	200.0	Secured by a first pari-passu charge with other lenders under multiple banking arrangement by the way of hypothecation of	12 equal quarterly installment of Rs. 16.67 crore after initial moratorium period of 18	Prepayment charges of 1% will be applicable, including	Delay in submitting audited financial statements will attract penal interest at

					standard receivables of the company arising out of the loan and on such other Current assets as may be identified by the company from time to time with asset cover of 1.25 times.	months from the date of 1 <sup>st</sup> disbursement.  Interest to be paid as and when due at monthly rests.	in case of takeover of the term loan by any other bank or financial institution.	2% p.a. on outstanding liability.  Non payment of interest / installment on the due date will attract penal interest of 2% on the overdue interest / installment.
3.	Syndicate Bank	November 30, 2017 and further modified by sanction letter dated December 26, 2017.	100.0	100.0	Secured by a floating pari-passu charge by way of hypothecation of loan receivables / book debts from existing and future customers of the Company which is eligible for bank financing as per the RBI stipulation with a security cover of 1.25 times.	10 equal quarterly installments commencing after the completion of moratorium period i.e. from 21 <sup>st</sup> month from the date of disbursement.	Applicable prepayment charges will be incurred based on the certificate of a chartered accountant obtained to this effect.	Penal interest will be charged at 0.50% due to non submission of Audited Financials within 7 months from the close of financial year.
4.	State Bank of India	March 10, 2017	200.0	199.9	Secured by a first pari-passu charge with Other lenders under multiple banking arrangement on the entire receivable of the company with minimum asset coverage ratio of 1.33 times.	A total of 18 instalments which was to be paid as follows:  (a) 17 instalments of Rs.11.11 crore to be paid within the period September 2019 – January 2021  (b) 1 Instalment of Rs.11.13 crore to be paid in February 2021.	Prepayment premium of 1% will be applicable including in case of the term loans by any other Bank / Financial institutions	Non payment of Interest / instalment on the due date will attract penal interest of 1% on the overdue interest / instalment. Upto two occasions of default and there after on the entire outstanding non submission of audited financials within period of 9 months will attract penalty of Rs.10,000 per month.
5.	Federal Bank	March 23, 2018	50.0	50.0	Secured by a floating pari-passu charge by way of hypothecation of receivables of the Company arising out of loan disbursed for corporate funding and LAP with asset cover of 1.10 times.	6 quarterly equal installments after a moratorium period of 18 months.	Prepayment charges will be waived on every anniversary i.e. on 12 <sup>th</sup> and 24 <sup>th</sup> month from the	2% p.a. in case of any delay in servicing of interest/principal. 1% p.a in case of non submission of Audited Financials within 7

							date of drawdown wherein the Company can prepay the loan amount after providing 30 days' notice. Other instances prepayment will be levied at the rate of 2% p.a.	months from the close of the financial year
6.	Bank of Baroda	March 23, 2018 and further modified by sanction letter dated July 31, 2018	100.0	85.7	Secured by a first pari-passu charge on the Company's loan receivables with an asset cover of at-least 1.25 times.	Repayable in 14 equal quarterly installments which will commence after moratorium of 6 months from the date of first disbursement.	Waiver of prepayment penalty in case of prepayment is made from own sources and after giving 30 days' notice/intimation to the bank. In all other cases applicable charges will be levied.	Penal interest at 2% p.a. on the entire outstanding above the rate applicable in case of non-compliance of terms, irregularities in account, non-submission/delayed submission of book debt statement, default in payment.
7.	ICICI Bank	November 08, 2018 and further modified by sanction letter dated December 10, 2018	150.0	150.0	Secured by a first pari-passu charge with other lenders under multiple banking arrangement on the entire receivables of the Company with a minimum asset coverage ration of 1.20 times.	Repayable in 8 equal quarterly installments which will commence after moratorium of 4 quarters from the date of first disbursement.	The borrower may prepay in whole or in part (if in part, minimum amount of Rs. 10 crore or in multiples of Rs. 10 crore) or entire outstanding facility upon 15 business days' prior notice to the bank and subject to prepayment premium	Additional interest payable at 2% p.a. of the facility amount in case of non-compliance with sanction terms.  Penal interest of 1% will be charged for non perfection of security after 90 days and penal interest of 2% will be charged after 120 days from the date of first disbursement.

							of 1.00%. However, if the payment is done within 1 year, Pre-payment of 2.00%, will be charged on principle amount.	
8.	Bajaj Finance Limited	December 05, 2018	50.0	50.0	Secured by a First pari-passu charge on the specific pool of receivables of the Company, not offered to bank for their credit facilities to be utilized to borrowing from non-bank lenders, by way of hypothecation on the loan installments receivables, with a minimum asset cover of 1.15 times of the principal amount outstanding at any point of time during the currency of the loan.	18 months door to door including 12 months of principal repayment standstill period from date of first disbursement. Repayment in 2 equal quarterly installments, beginning after expiry of the principal repayment standstill period.	Prepayment penalty of 1% on the outstanding amount in case the prepayment is made within one year from the date of disbursement  Prepayment of loan thereafter will be without any prepayment premium /charges with a prior 30-day notice.	2% over and above the interest rate, applicable on principle outstanding and the defaulted amount and for breach of covenants (including financial covenants)/conditions/representations and warranties or any other provision under the sanction letter, from the due date of payment until the date of actual payment.  Penalty of 1% p.a will be charged for delay submission of Receivable statement within 15 days at each quarter
9.	HDFC Bank Limited	March 18, 2019	250.0	147.0	Secured by pari passu charge by way of hypothecation on company's receivables, both present and future. 20% haircut on eligible receivables (not to include receivables which are used for purposes disallowed by the RBI, related party advances, investments) which are not overdue and will not include any unsecured loans.	Upon expiry of 24 months. Equal quarterly instalments from the date of first disbursement	N.A.	Penal interest applicable for all overdues/delays of any money payable at the rate of 1% per annum up to 30 days and 2% per annum beyond 30 days.

					Receivables will be based on principal outstanding only and should not include future interest.			
10.	IDFC First Bank Limited	April 30, 2019	75.0	25.0	Secured by first pari-passu charge over identified loan receivable of the company with minimum security cover of 1.1x of outstanding amount of facility	Door to door tenor of 5 years with equal yearly principal repayment for each tranche of disbursement	Pre-payment is not permitted.	2% p.a. plus applicable rate of interest due to non-payment of interest/principal or any other amount on the due date or breach of terms and conditions under the facility / loan agreement and sanction letter.  2% p.a. plus applicable rate of interest due to non-creation of security within the timelines and / or fails to comply with any of the covenants relating to the security to be calculated from the date falling on the expiry of 90 days from the date of the first disbursement till perfection of security or cure of any breach relation to security as the case may be to the satisfaction of the bank.
<b>TOTAL</b>			<b>1,375</b>	<b>1,110.9</b>				

\*Borrowing through term loans is excluding effective interest rate impact amounting to Rs. 1.9 Crore.

@ Interest accrued but not due amounting to Rs. 1.4 Crore.

**Rescheduling:** None of the Loan Documents provide for the rescheduling provision.

**Events of default:** The facility documents executed by our Company stipulate certain events as "Events of Default", pursuant to which our Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

- (a) Any of the installment amount referred to herein above being unpaid on the due date for payment thereof.
- (b) Any representation and/or the statements made by our Company in the application being found to be incorrect and/or our Company committing any breach or default in the performance or observance of any terms, conditions or provisions contained in the said application and/or the letter of sanction.
- (c) our Company entering into any arrangement or composition with our Company's creditors or committing any act the consequence of which may lead to the Company being ordered to be wound up.
- (d) Any process being issued against our Company for execution of a decree and/or for attachment before judgment resulting in any of the property belonging to and/or under the control of our Company being attached.
- (e) Any order being made or a resolution being passed for the winding up of our Company.
- (f) A receiver being appointed of the entire properties or any part thereof belonging to or under the control of our Company.
- (g) Our Company ceasing or threatening to cease to carry on business or giving or threatening to give notice of the Company's intention to do so.
- (h) A firm of accountants appointed by the lender certifying that the liabilities of our Company exceed the assets owned and/or under the control of our Company and/or that our Company is carrying on business in loss.
- (i) The occurrence of any event or circumstances which would or is likely to prejudicially or adversely affect in any manner the capacity of our Company to either repay the said advance or to carry out the said proposal.
- (j) Failure of the Borrower to pay on the due date upon which any amount is due and payable whether by way of interest, principal or any other sum stated as payable under this facility.
- (k) If the borrower commits any breach of or omit to observe any of its covenants, obligations or undertakings under the term loan and in case of any such breach or omission capable of being remedied, such breach or omission is not remedied within 30 days.
- (l) If any representation or warranty made by our Company is incorrect.
- (m) If any other borrowings of our Company are not paid when due or is likely to become prematurely payable or capable of being prematurely declared payable or if steps are taken to enforce any security for such indebtedness.
- (n) Our Company becomes insolvent.
- (o) Non-submission of any information which could be defined as "Information Undertakings" with grace period of 15 days.
- (p) Diversion of funds, if funds utilized for any activity not eligible for bank finance to NBFCs as per RBI guidelines.
- (q) Non compliance with RBI norms.
- (r) Downgrade in credit rating from existing rating.
- (s) Any material change takes place which in the opinion of the lender in the projected and actual cash flows, financial condition, results of operation or business of our Company.
- (t) Control of our Company's voting share capital or Board of Directors significantly changes as a result of a takeover, or merger of, or transfer of shares in or issue or sale of shares by the Borrower without prior intimation to the Bank.

- (u) It becomes impossible or unlawful for the lender to make, maintain or fund the facility as contemplated or any of the conditions stated by our Company ceases to be valid, legal and binding and enforceable.
- (v) The Government of India or any competent authority takes or states officially that it intends to take, any step with a view to the seizure, expropriation, nationalization or acquisition of any of its assets or revenues.

### 3. Secured Non-Convertible Debentures

- (a) Our Company has issued on private placement basis, listed, secured, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each under various tranches of which ₹ 1,986.6 crore is cumulatively outstanding as on June 30, 2019, the details of which are set forth below: \*@

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Date of Allotment	Amounts outstanding as on June 30, 2019 (₹ in crore)	Redemption Date/Schedule
Tranche AD – Option I	1076 days	Zero Coupon	July 21, 2016	2.8	July 2, 2019
Tranche AD – Option II	1097 days	Zero Coupon	July 21, 2016	6.3	July 23, 2019
Tranche AF – Option I	1064 days	Zero Coupon	September 6, 2016	11.0	August 6, 2019
Tranche AF – Option II	1085 days	Zero Coupon	September 6, 2016	5.7	August 27, 2019
Tranche AN	1170 days	Zero Coupon	January 23, 2017	4.6	April 7, 2020
Tranche AM – Option I	1216 days	Zero Coupon	January 12, 2017	63.0	May 12, 2020
Tranche AM – Option II	1208 days	Zero Coupon	January 12, 2017	1.8	May 4, 2020
Tranche AP – Option III	1220 days	Zero Coupon	February 27, 2017	5.7	July 1, 2020
Tranche AR – Option II	1141 days	Zero Coupon	March 22, 2017	2.0	May 6, 2020
Tranche AT – Option V	1082 days	Zero Coupon	May 26, 2017	20.0	May 12, 2020
Tranche AT – Option VI (Market Linked Debentures)	1222 days	Minimum – 8.95% p.a. (annualised return calculated on XIRR basis), maximum 9.00% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.	May 26, 2017	50.0	September 29, 2020
Tranche AX – Option I	1140 days	Zero Coupon	July 20, 2017	14.7	September 2, 2020
Tranche AX – Option II	1077 days	Zero Coupon	July 20, 2017	11.3	July 1, 2020
Tranche AY	730 days	8.70% p.a.	July 25, 2017	200.0	July 25, 2019
Tranche AZ	1096 days	8.90% p.a.	July 28, 2017	150.0	July 28, 2020
Tranche BA	1031 days	Zero Coupon	September 4, 2017	10.5	July 1, 2020
Tranche BB	1096 days	8.80%	September 28, 2017	120.0	September 28, 2020
Tranche BC	1094 days	8.81% p.a.	November 15, 2017	300.0	November 13, 2020
Tranche BD	1256 days	Zero Coupon	November 21, 2017	50.0	April 30, 2021
Tranche BE - Option IA (Market Linked Debentures)	731 days	Minimum – 8.45% p.a. (annualised return calculated on XIRR basis), maximum 8.50% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.	November 28, 2017	15.0	November 29, 2019
Tranche BE - Option IB	731 days	Minimum – 8.45% p.a. (annualised return	November 28, 2017	10.0	November 29, 2019

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Date of Allotment	Amounts outstanding as on June 30, 2019 (₹ in crore)	Redemption Date/Schedule
(Market Linked Debentures)		calculated on XIRR basis), maximum 8.50% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.			
Tranche BF - Option I	1215 days	Zero Coupon	December 8, 2017	15.0	April 06, 2021
Tranche BF - Option II	851 days	Zero Coupon	December 8, 2017	5.0	April 07, 2020
Tranche BG (Market Linked Debentures)	1096 days	Minimum – 8.55% p.a. (annualised return calculated on XIRR basis), maximum 8.60% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.	December 14, 2017	10.0	December 14, 2020
Tranche BI - Option I	1180 days	Zero Coupon	January 12, 2018	9.6	April 6, 2021
Tranche BI - Option II (Market Linked Debentures)	686 days	Minimum – 8.45% p.a. (annualised return calculated on XIRR basis), Maximum 8.50% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.	January 12, 2018	30.0	November 29, 2019
Tranche BJ (Market Linked Debentures)	1048 days	Minimum – 8.55% p.a. (annualised return calculated on XIRR basis), maximum 8.60% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.	January 31, 2018	2.5	December 14, 2020
Tranche BK- Option I	1171 days	9.3387% p.a.	February 7, 2018	100.0	April 23, 2021
Tranche BK- Option II	1178 days	Zero Coupon	February 7, 2018	49.8	April 30, 2021
Tranche BK- Option III (Market Linked Debentures)	1041 days	Minimum – 8.55% p.a. (annualised return calculated on XIRR basis) on face value, maximum 8.60% p.a. (annualised return calculated on XIRR basis) on face value. However, in extreme situation no coupon amount will be paid.	February 7, 2018	4.9	December 14, 2020
Tranche BL- Option I	1164 days	9.3387% p.a.	February 14, 2018	99.8	April 23, 2021
Tranche BL- Option II	1171 days	Zero Coupon	February 14, 2018	49.7	April 30, 2021
Tranche BL- Option III (Market Linked Debentures)	670 days	Minimum – 8.95% p.a. (annualised return calculated on XIRR basis) on face value, Maximum – 9.00% p.a. (annualised return calculated on XIRR	February 14, 2018	25.0	December 16, 2019

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Date of Allotment	Amounts outstanding as on June 30, 2019 (₹ in crore)	Redemption Date/Schedule
		basis) on face value. However, in extreme situation no coupon amount will be paid.			
Tranche BM - Option I	1162 days	Zero Coupon	February 23, 2018	8.4	April 30, 2021
Tranche BM - Option II	1155 days	9.3387% p.a.	February 23, 2018	10.0	April 23, 2021
Tranche BN	1143 days	Zero Coupon	March 14, 2018	9.0	April 30, 2021
Tranche BO - Option I	1111 days	Zero Coupon	March 22, 2018	5.0	April 6, 2021
Tranche BO - Option II (Market Linked Debentures)	543 days	Minimum – 8.85% p.a. (annualised return calculated on XIRR basis) on face value, Maximum – 8.90% p.a. (annualised return calculated on XIRR basis) on face value. However, in extreme situation no coupon amount will be paid.	March 22, 2018	15.0	September 16, 2019
Tranche BP - Option I	1105 days	Zero Coupon	March 28, 2018	25.0	April 6, 2021
Tranche BP - Option II	1129 days	Zero Coupon	March 28, 2018	7.0	April 30, 2021
Tranche BP - Option III (Market Linked Debentures)	537 days	Minimum – 8.85% p.a. (annualised return calculated on XIRR basis) on face value, Maximum – 8.90% p.a. (annualised return calculated on XIRR basis) on face value. However, in extreme situation no coupon amount will be paid.	March 28, 2018	14.0	September 16, 2019
Tranche BR - 2018 (XII)	550 days	9.4241% p.a. (9.50% p.a. (XIRR basis))	August 24, 2018	50	February 25, 2020
Tranche BS - 2018 (XIII)	543 days	9.4241% p.a.	August 31, 2018	25	February 25, 2020
Tranche BT - 2018 (XIV) – Option I	1392 days	Floating rate at 220 bps over average of last three auction cutoff yields of 364 Days Treasury Bill (rounded off to two decimal) subject to no rating change , whereby spread over T-Bill will remain fixed for the whole tenor and 364 Days Treasury Bill yield will get reset every year. The applicable coupon for first year will be 9.52%.	September 07, 2018	150	June 30, 2022
Tranche BT - 2018 (XIV) – Option II (Market Linked Debentures)	540 days	Minimum – 0.00% p.a. (annualised return calculated on XIRR basis) on face value, Maximum – 9.20% p.a. (annualised return calculated on XIRR basis) on face value. However, in extreme situation no coupon amount will be paid.	September 06, 2018	15.0	February 28, 2020
Tranche BU - 2018 (XV) – Option I	1062 days	Zero Coupon	September 14, 2018	16.5	August 11, 2021
Tranche BU - 2018	1095 days	Zero Coupon	September 14, 2018	30.0	September 13,

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Date of Allotment	Amounts outstanding as on June 30, 2019 (₹ in crore)	Redemption Date/Schedule
(XV) – Option II			18		2021
Tranche BU - 2018 (XV) – Option III	1298 days	Zero Coupon	September 14, 2018	65.0	April 4, 2022
Tranche BV - 2018 (XVI)	1463 days	Zero Coupon	September 27, 2018	45.0	September 29, 2022
Tranche BW - 2018 (XVII)  (Market Linked Debentures)	511 days	Minimum – 0.00% p.a., Maximum – 9.20% p.a. (annualised return calculated on XIRR basis) on face value. However, in extreme situation no coupon amount will be paid.	October 5, 2018	10.0	February 28, 2020
Tranche BX - 2018 (XVIII)	1068 days	Zero Coupon	October 11, 2018	10.0	September 13, 2021
Tranche BY – 2018 (XIX) (Market Linked Debentures)	547 days	Minimum – 9.95% p.a. (annualised return calculated on XIRR basis) Maximum – 10.00% p.a. (annualised return calculated on XIRR basis) However, in extreme situation no coupon amount will be paid	January 3, 2019	10.0	July 3, 2020
TRANCHE BZ – 2019 (XX) (Market Linked Debentures)	533 days	Minimum – 9.95% p.a. (annualised return calculated on XIRR basis) Maximum – 10.00% p.a. (annualised return calculated on XIRR basis) However, in extreme situation no coupon amount will be paid.	January 17, 2019	11.0	July 3, 2020
			<b>Total</b>	<b>1,986.6</b>	

\*Above debentures are rated “AA/Stable” by ICRA Limited and are fully secured by assets, moveable and immovable.

@ Does not include interest / premium accrued but not due amounting to Rs. 188.1 Crore.

Borrowing through non convertible debentures shown at face value without considering premium / unamortized discount on issue of Rs. 1.3 Crore.

Total borrowing is excluding effective interest rate impact amounting to Rs. 9.4 Crore.

- (b) Our Company has made a public issue of secured, rated, listed and redeemable non-convertible debentures of face value of ₹ 1,000 each under six series of which ₹ 386.98 crore is cumulatively outstanding as on June 30, 2019, the details of which are set forth below: \* @

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Date of Allotment	Amounts outstanding as on June 30, 2019 (₹ in crore)	Redemption Date/Schedule
Public Issue - TR 1 - 24 months - Annual - Series - I	731 days	9.90%	May 21, 2019	44.3	May 21, 2021
Public Issue - TR 1 - 24 months - Cumulative - Series - II	731 days	NA	May 21, 2019	9.5	May 21, 2021
Public Issue - TR 1 - 36 months - Annual - Series - III	1096 days	10.20%	May 21, 2019	138.2	May 21, 2022
Public Issue - TR 1 - 36 months - Cumulative - Series - IV	1096 days	-NA	May 21, 2019	27.9	May 21, 2022
Public Issue - TR 1 -	1827 days	10.04%	May 21, 2019	66.9	May 21, 2024

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Date of Allotment	Amounts outstanding as on June 30, 2019 (₹ in crore)	Redemption Date/Schedule
60 months - Monthly -Series - V					
Public Issue - TR 1 - 60 months - Annual - Series - VI	1827 days	10.50%	May 21, 2019	100.1	May 21, 2024
			<b>Total</b>	<b>386.98</b>	

\*Above debentures are rated “[ICRA]AA (Stable)” by ICRA Limited and CRISIL “AA Stable” by CRISIL and are fully secured by assets, moveable and immovable.

@ Does not include interest / premium accrued but not due amounting to ₹4.4 crore and excluding unamortised issue expenses of ₹7.4 crore.

#### 4. **Other Secured Borrowings**

##### (a) **Finance lease obtained by our Company**

Nature	Name of Lessor	Amount outstanding as of June 30, 2019 (in ₹ crores)
Finance Lease	ORIX Leasing & Financial Services India Limited	0.3

##### (b) **Overdraft against fixed deposits maintained by our Company**

- (i) Our Company has availed overdraft facility and working capital demand loans by creating an encumbrance over the fixed deposits maintained by our Company with ICICI Bank Limited. As on June 30, 2019, the outstanding amount is ₹ 22.5 crores.
- (ii) Our Company has availed overdraft facility by creating an encumbrance over the fixed deposits maintained by our Company with HDFC Bank Limited. As on June 30, 2019, the outstanding amount is ₹ 26.9 crores.

#### B. **Details of Unsecured Borrowings**

Our Company’s unsecured borrowings as on June 30, 2019 amount to ₹ 1,781.7 crores. The details of the individual borrowings are set out below.

##### **Unsecured Non-Convertible Debentures**

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Date of Allotment	Amounts outstanding as on June 30, 2019 (₹ in crore)	Redemption Date/Schedule
Tranche V - 2018	366 days	9.55%	September 18, 2018	55.0	September 19, 2019
		<b>Total</b>		<b>55.0</b>	

@ Does not include interest / premium accrued but not due amounting to ₹3.7 crore

##### C. **Loan from Directors and Relatives of Directors**

Our Company has not borrowed any amount from the Directors and relatives of the Directors as on June 30, 2019.

##### D. **Commercial Papers**

Our Company has issued commercial papers of the face value of ₹ 5 lakhs aggregating to a total face value of ₹ 1,701.7 crores as on June 30, 2019. The details of the commercial papers are set forth below.\*

S.No	ISIN	Number of instruments	Amount (₹ in crore)	ISIN Maturity Date
1	INE523H14L29	334	16.7	26-Jul-19
2	INE523H14N76	2000	100.0	12-Sep-19
3	INE523H14O00	1000	50.0	29-Jul-19

S.No	ISIN	Number of instruments	Amount (₹ in crore)	ISIN Maturity Date
4	INE523H14O18	600	30.0	16-Oct-19
5	INE523H14P17	4400	220.0	23-Dec-19
6	INE523H14P25	1000	50.0	07-Jan-20
7	INE523H14P33	4000	200.0	30-Jan-20
8	INE523H14Q24	500	25.0	13-Mar-20
9	INE523H14Q57	1000	50.0	15-Jul-19
10	INE523H14Q65	700	35.0	15-Apr-20
11	INE523H14Q73	2200	110.0	23-Sep-19
12	INE523H14Q81	2000	100.0	25-Jul-19
13	INE523H14Q99	2000	100.0	30-Jul-19
14	INE523H14R15	12300	615.0	04-Jul-19
<b>Total</b>			<b>1,701.7</b>	

\*Borrowing through commercial papers shown at face value without considering discount of ₹34.7 crores.

#### E. Details of any inter-corporate loans, deposits and other borrowings

Our Company's inter-corporate loans, deposits and other borrowings as on June 30, 2019 amount to ₹ 25.0 crore. The details of the individual borrowings are set out below:

S. No	Name of Lender	Date of drawdown	Amount sanctioned	Total amount outstanding as on June 30, 2019 (in ₹ crores)	Date of maturity
1.	Reliance Industrial Investments and Holdings Limited	April 17, 2019	25.0	25.0	April 16, 2020
	<b>TOTAL</b>		<b>25.0</b>	<b>25.0</b>	

@ Does not include interest / premium accrued but not due amounting to ₹0.4 crore

#### F. Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or securities

In the past 5 years preceding the date of this Tranche II Prospectus, there has been no delay and /or defaults in servicing of debt/interest or in payment of principal or interest on any financing facilities or term loan or debt security including corporate guarantee issued by our Company in the past.

#### G. The amount of corporate guarantee issued by the Issuer along with the name of the Counter party on behalf of whom it has been issued

Our Company has not issued any corporate guarantee.

#### H. Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on June 30, 2019

Our Company has Nil outstanding borrowings taken / debt securities issued where taken / issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on June 30, 2019.

#### I. Details of rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds, preference shares or optionally convertible debentures as on June 30, 2019

Our Company does not have any other borrowings including hybrid debt instruments, such as foreign currency convertible bonds, preference shares or optionally convertible debentures, as on June 30, 2019.

#### J. Restrictive Covenants under our Financing Arrangements:

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

1. to provide the lender, information about any material and adverse change in liquidity, financial position, etc.;

2. to create security or encumbrance on the assets charged to the lender, in favour of any other bank, financial institution, company, firm, individual except as permitted and except in the ordinary course of business;
3. to enter into any arrangement regarding any amalgamation, demerger, merger or corporate reconstruction;
4. to create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons, except in the ordinary course of business, till the lender's stipulated asset cover is maintained;
5. to enter into any contractual obligation of a long-term nature or affecting the lender financially to a significant extent except in the ordinary course of business;

Further, under certain financial arrangements entered into by our Company, our Company is not permitted to do or allow anything that may prejudice the security while the borrower remains indebted or liable to the lender in any manner. Further, under certain arrangements, our Company is not permitted to resort to outside borrowings without the prior written consent in case there is an event of default or if the external rating of our Company slips below AA, whichever triggers first.

Our Company is also not permitted to do or allow anything that may prejudice the security under certain financial arrangements, while the borrower remains indebted or liable to such lender in any manner. Further, the Company is not permitted to resort to outside borrowings without the prior written consent in case there is an event of default or if the external rating of the Company slips below AA, whichever triggers first.

## **VIII. PENDING PROCEEDINGS AND STATUTORY DEFAULTS**

### **1. Litigations involving the Company**

#### **(a) Tax cases**

The disclosures under paragraph (ii) shall be deleted and replaced in their entirety with the following:

*For the assessment year 2012-2013, the assessing officer made a disallowance of Rs. 9,29,56,537 under Section 14A of the IT Act. An appeal was filed before the CIT (A) on May 05, 2015 against the said assessment order. The CIT (A) has decided the appeal in the Company's favour vide order dated October 17, 2016. The IT Department has filed an appeal in the ITAT against the order of the CIT (A), Mumbai. The ITAT has passed an order dated December 31, 2018 dismissing the appeal of the revenue department. JMFPL has filed a Miscellaneous Application before the ITAT for certain assertions made in the ITAT Order on May 15, 2019. The Miscellaneous Application has been heard before the ITAT Members on July 19, 2019 and the order is awaited. Simultaneously, JMFPL has also filed an appeal before the Bombay High Court on July 19, 2019 against the ITAT order dated December 31, 2018.*

#### **(b) Litigations by the Company**

The Company has initiated certain criminal litigations under Section 138 of the Negotiable Instruments Act, 1881 for recovery of INR 3,12,28,324 from certain persons.

#### **(c) Other proceedings**

In relation to the registration of the trademark , the Registrar of Trademarks, Wadala had, by way of its order dated August 31, 2018, declared that the trademark registration application filed by the Company had been deemed to be abandoned for reason of non-reply to the examination report dated July 12, 2017 issued by the Trade Mark Registry to the Company. In response to such order, the Company has filed a review petition with the Registrar of Trademarks, Wadala stating that it had submitted its detailed reply on August 03, 2017, which was within the statutory timelines for filing its response, and the same has not been taken on record by the Trade Marks Registry. The Company further stated that the examination report dated July 12, 2017 had not been uploaded on the website of the Trade Marks Registry. The

Company has prayed to the Registrar of Trademarks, Wadala to review and set aside the *ex-parte* order, restore the application filed by the Company from abandoned to active and consider the application and reply of the Company on its merits. The next date of hearing for such matter is on August 20, 2019.

## 2. Litigation involving the Promoter - JMFL

- (a) The disclosures under paragraph (a) shall be deleted and replaced in their entirety with the following:

*For the assessment year 1998-1999, the Additional Commissioner of Income Tax, Special Range 22, Mumbai, passed an order dated March 28, 2001 under Section 143(3) of the IT Act. The order directed the issuance of a notice of demand against JMFL and noted that the speculated loss of INR 1,30,48,062 is allowed to be carried forward and set off against speculation income. The order also directed that penalty proceedings be initiated against JMFL under Section 271(1)(c) for furnishing inaccurate particulars of income and concealment of income. JMFL filed an appeal against the order on April 26, 2001 with the CIT (A) – 14, Mumbai, which was partly allowed. JMFL has further filed an appeal before the Income Tax Appellate Tribunal, Mumbai against a penalty of INR 18,08,459 imposed on it by the CIT (A) – 9, Mumbai under Section 271(1)(c) of the IT Act for the assessment year 1998-1999. JMFL also sought that in the event the penalty amount was not deleted in its entirety, the penalty with respect to disallowance of sub-brokerage of INR 2,74,069 deleted by the tribunal and the penalty with respect to disallowance of sub-brokerage of INR 21,52,226 set aside by the tribunal, be deleted. The matter has been heard by the ITAT on July 15, 2019 and the order is awaited.*

- (b) The disclosures under paragraph (b) shall be deleted and replaced in their entirety with the following:

*For the assessment year 2002-2003, JMFL received an assessment order dated February 28, 2005 under Section 143(3) of the IT Act, whereby the total income of JMFL was computed to be INR 12,75,284. The order directed that JMFL be issued a notice of demand and a penalty notice for INR 6,10,427 was issued. JMFL lodged an appeal with the CIT (A) - 15, Mumbai which was dismissed. JMFL filed a further appeal with the ITAT, whereby the ITAT set aside the order of the CIT (A) - 15, Mumbai and restored the matter back to him for fresh decision after necessary examination. The ITAT also held that no expenditure either in the form of interest or administrative expenditure can be allowed as deduction and these matters were also sent back to the CIT (A), Mumbai for reconsideration. The CIT (A) - 8, Mumbai partly allowed the appeal of JMFL allowing a sum of INR 8,93,245 as against the sum allowed by the assessing officer of INR 47,250. On March 24, 2014, an order was passed by the Deputy Commissioner of Income Tax, 4(3), Mumbai imposing a minimum penalty of INR 35,11,162 under Section 271(1)(c). This penalty was upheld by the CIT (A) - 9, Mumbai on January 20, 2016. JMFL has passed an appeal before the ITAT against the said penalty levy. The matter has been heard by the ITAT on July 15, 2019 and the order is awaited.*

- (c) The disclosures under paragraph (c) shall be deleted and replaced in their entirety with the following:

*For the assessment year 2008-2009, JMFL received a notice of demand dated December 06, 2010 under Section 156 of the IT Act stating that a sum of INR 315,74,15,522 was payable by it. JMFL filed an appeal with the CIT (A) – 8, Mumbai. By way of an order dated July 29, 2011 the CIT (A) – 8, Mumbai held that an amount of INR 17,71,36,61,381 was to be treated as profit of business which was taxable. The income of JMFL was also enhanced by INR 12,66,87,500. A sum of INR 1,32,86,120 was also directed to be disallowed and JMFL's income was enhanced by this amount. It was further clarified that a sum of INR 91,47,505 and INR 1,91,44,201 would not be allowed to be deducted as it had already been held that such loss being non-genuine was not allowable as deduction while computing taxable income of the assessee. The order held that JMFL had erroneously claimed excessive loss which amounted to concealment of its income and furnishing of inaccurate particulars of its true income. JMFL subsequently filed an appeal with the ITAT, which partly allowed the appeal for statistical purposes and remanded certain matters to the file of the assessing officer. JMFL filed an appeal before the High Court of Judicature at Mumbai to look into whether the ITAT had erred in*

holding that a disallowance could be made under Section 14A of the IT Act and whether such disallowance should be of INR 4,72,78,394. Separately, the Deputy Commissioner of Income Tax – 4(3), by way of an order dated March 14, 2014 determined the total income for the assessment year in question to be INR 17,75,16,28,371 and ordered that penalty proceedings be initiated under Section 271(1)(c) of the IT Act. In the appeal filed by JMFL against the said order dated March 14, 2014, the CIT (A) - 9, Mumbai vide his order dated April 30, 2015 held that the consideration of INR 17,71,36,61,381 received by JMFL on sale of equity shares of JM Morgan Stanley Securities Private Limited be charged to tax as long-term capital gains and also allowed deduction for the indexed cost of acquisition. The order further allowed the expenditure of INR 22,83,63,049 incurred in connection with the transfer of the such shares. The CIT (A) – 9, Mumbai did not allow the claim for set-off of long-term capital loss and short-term capital loss incurred by JMFL on sale of equity shares of the Company. A further rectification order dated May 25, 2015 was passed by the CIT (A) – 9, Mumbai partly allowing the appeals. JMFL has filed an appeal before the ITAT against the order of the CIT (A) – 9, Mumbai not allowing the claim for capital losses on sale of equity shares of JMFL. Simultaneously, the IT Department has filed an appeal in the ITAT against the order of the CIT (A) – 9, Mumbai treating the gain on sale of equity shares of JM Morgan Stanley Securities Private Limited be charged to tax as long-term capital gains. The matter has been heard by the ITAT on July 10, 2019 and the order is awaited.

- (d) The disclosures under paragraph (e) shall be deleted and replaced in their entirety with the following:

*For the assessment year 2010-2011, the Assistant Commissioner of Income Tax, 4(3), Mumbai by way of an order dated March 22, 2013 disallowed an amount of INR 42,48,067 towards lease rentals on vehicles and added this back to the total income of JMFL. Additionally, an amount of INR 7,15,49,747 was also disallowed and added back to the total income under Section 14A of the IT Act read with Rule 8D of the IT Rules. JMFL filed an appeal with the CIT (A) – 9, Mumbai who by way of an order dated January 28, 2016 dismissed the appeal. JMFL filed a further appeal to the ITAT. The matter has been heard by the ITAT on July 15, 2019 and the order is awaited. Separately, for the same assessment year, the Assistant Commissioner of Income Tax, 4(3), Mumbai, by way of an order dated March 31, 2017, levied a penalty of INR 13,12,653 on the disallowance of INR 42,48,067 towards lease rentals on vehicles. JMFL has filed an appeal on May 4, 2017 with the CIT (A) - 9, Mumbai. The next date of hearing before the CIT (A) – 9, Mumbai is awaited.*

- (e) The disclosures under paragraph (f) shall be deleted and replaced in their entirety with the following:

*For the assessment year 2011-2012, the Additional Commissioner of Income Tax, 4(3), Mumbai by way of an order dated March 04, 2014 initiated penalty proceedings against JMFL under Section 271(1)(c) of the IT Act and disallowed an amount of INR 16,22,108 towards lease rentals on vehicles. The order also disallowed an amount of INR 7,20,67,959 under Section 14A of the IT Act along with INR 84,00,000 towards advertisement expenditure and did not allow a set of brought forward losses amounting to INR 58,17,675. JMFL filed an appeal with the CIT (A) – 9, Mumbai which was dismissed. Subsequently JMFL filed an appeal with the ITAT. The matter has been heard by the ITAT on July 15, 2019 and the order is awaited.*

- (f) The disclosures under paragraph (g) shall be deleted and replaced in their entirety with the following:

*For the assessment year 2012-2013, the Deputy Commissioner of Income Tax, 4(3)(1), Mumbai by way of an order dated March 28, 2015 disallowed an amount of INR 7,07,60,044 under Section 14A of the IT Act read with Rule 8D of the IT Rules. Further, an amount of INR 11,13,542 claimed as lease rentals on vehicles was disallowed and added back to the total income. JMFL has filed an appeal against this order with the CIT (A) – 9, Mumbai. The matter has been heard by the CIT(A) – 9 on July 30, 2019 and the order is awaited.*

- (g) The disclosures under paragraph (i) shall be deleted and replaced in their entirety with the following:

*For the assessment year 2014-2015, the Assistant Commissioner of Income Tax, 4(3)(1), Mumbai by way of an order dated December 23, 2016 disallowed an amount of INR 6,73,82,910 under Section 14A of the IT Act read with Rule 8D of the IT Rules for assessment year 2014-2015. Further, an amount of INR 32,58,422 claimed as lease rentals on vehicles was disallowed and added back to the total income. JMFL has filed an appeal against this order with the CIT (A) - 9, Mumbai. The next date of hearing before the CIT(A) is awaited.*

- (h) The disclosures under paragraph (k) shall be deleted and replaced in their entirety with the following:

*The Deputy Commissioner of Service Tax, Mumbai by way of an order dated May 18, 2017 held that JMFL had availed irregular CENVAT credit and imposed a penalty of INR 16,45,957 under Rule 15(3) of the CENVAT Credit Rules, 2004 read with Section 78 of Chapter V of the Finance Act, 1994. The order also held that JMFL had failed to file the returns correctly as prescribed under Section 70 of Chapter V of the Finance Act, 1994. Further, the order held that the amount of penalty would be reduced by 25% if the reduced penalty along with interest and tax demanded therein was paid within 30 days of the order. JMFL has filed an appeal with the Commissioner of Central Excise (Appeals) on July 21, 2017. The matter has been heard on April 16, 2019 and the Commissioner of Central Excise (Appeals) has passed an order on May 30, 2019 confirming the order of the Deputy Commissioner of Service Tax. The order was received by the Company on June 17, 2019 and the Company is in the process of consulting with its advisors regarding filing an appeal before the CESTAT, Mumbai.*

### 3. **Litigations involving the Group Companies**

- (a) The disclosures in relation to JM Financial Asset Reconstruction Company Limited shall be deleted in their entirety.

- (b) *JM Financial Institutional Securities Limited ("JMFISL") (now merged with JMFL)*

- (i) The disclosures under paragraph (viii) shall be deleted and replaced in their entirety with the following:

*For assessment year 2013-2014, the Deputy Commissioner of Income Tax 3(2)(1), Mumbai by way of an order dated March 18, 2016 disallowed an amount of INR 58,62,087 under Section 14A of the IT Act and also disallowed INR 56,48,000 on account of marked-to-market loss. The CIT (A) – 8, Mumbai on September 4, 2017 allowed the appeal of JMFISL. The IT Department has filed an appeal in the ITAT against the order of the CIT (A) – 8, Mumbai. The matter has been heard by the ITAT on July 24, 2019 and the order is awaited.*

- (ii) The disclosures under paragraph (xv) shall be deleted and replaced in their entirety with the following:

*The Principal Commissioner of CGST & CEX, Mumbai Central by way of an order dated February 6, 2019 confirmed demand of service tax of INR 4,49,96,494 under section 73(2) of the Finance Act, 1994, imposed interest under section 75 of the Finance Act, 1994 and also imposed penalty of INR 4,49,96,494 under section 78 of the Finance Act, 1994. The said service tax demand is confirmed on brokerage income of Rs.40,90,45,803/- from foreign clients including Foreign Institutional Investors (FIIs) during the period 1 July 2012 to 30 September 2014 on which the Company had not paid any service tax based on the provisions of Place of Provision of Services Rules, 2012. The Company has filed an appeal before the Central Excise & Service Tax Appellate Tribunal, Mumbai on May 7, 2019.*

(c) *JM Financial Services Limited ("JMFSL")*

- (i) The details of proceedings mentioned under paragraphs (i) and (ii) shall be deleted in their entirety.
- (ii) The disclosures under paragraph (iii) shall be deleted and replaced in their entirety with the following:

*For the assessment year 2009-2010, the Deputy Commissioner of Income Tax, 4(3), Mumbai by way of an order dated December 26, 2011 treated the amount of INR 25,96,01,368 as deemed speculation loss under explanation to Section 73 of the IT Act. The order also disallowed (A) an amount of INR 16,76,266 claimed as depreciation; (B) an amount of INR 32,54,995 claimed as lease rentals on vehicles; and (C) an amount of INR 21,48,928 under Section 14A of the IT Act. JMFSL filed an appeal dated January 27, 2012 with the CIT (A) - 8, Mumbai which was partly allowed. Both parties filed an appeal before the ITAT which by way of an order dated December 28, 2016 allowed the appeal of JMFSL partly, remanded the issue of disallowance of lease rentals to file of the assessing officer to decide afresh and dismissed the appeal filed by the IT Department. Following this, the IT Department filed an appeal under Section 260A of the IT Act in the High Court of Judicature at Mumbai seeking the court to address whether (I) the ITAT was justified in directing the assessing officer to delete a disallowance of INR 16,76,266 towards depreciation on BSE and NSE membership cards; (II) the ITAT was justified in directing the assessing officer to delete a disallowance of INR 21,48,928 made under Section 14A read with Rule 8D of the IT Act; and (III) the ITAT was justified in directing the assessing officer to delete the disallowance made towards set off of loss of cash segment against the income from futures and options segment.*

- (iii) The details of proceedings mentioned under paragraph (iv) shall be deleted in their entirety.
- (iv) The disclosures under paragraph (vi) shall be deleted and replaced in their entirety with the following:

*For the assessment year 2012-2013, the Deputy Commissioner of Income Tax 4(3)(1), Mumbai by way of an order dated March 29, 2015 disallowed an amount of INR 1,17,73,156 under Section 14A of the IT Act read with Section 8D of the IT Rules for the assessment year 2012-2013. Further, an amount of INR 27,66,866 claimed as lease rentals on vehicles was disallowed and added back. Additionally, an amount of INR 1,34,66,95,811 was also added back to the total income of JMFSL on account of speculation loss pertaining to delivery based share transactions. JMFSL filed an appeal against this order with the CIT (A) - 9, Mumbai which by way of an order dated March 22, 2018 partly allowed the appeal. JMFSL has filed an appeal with the ITAT and simultaneously IT Department has also filed appeal with the ITAT. The hearings before the ITAT are scheduled on August 20, 2019.*

- (v) The details of proceedings mentioned under paragraph (ix) shall be deleted in their entirety.
- (vi) For the assessment year 2011-2012, the Commissioner of Income Tax (TDS)-1, Mumbai passed an order dated March 18, 2015 holding that the amount of INR 1,25,57,013 incurred by JMFSL under the head of securities borrowing cost towards stock lending cost payable to the National Securities Clearing Corporation are liable to TDS. The Deputy Commissioner of Income Tax (TDS)-1(3), Mumbai also passed an order dated March 30, 2016 holding that JMFSL was in default under Section 201(1) / Section 201(1A) read with Section 263 of the Income Tax Act, 1961. JMFSL filed an appeal with the ITAT which partially allowed the appeal by way of an order dated September 09, 2016. The Commissioner of Income Tax (TDS)-1, Mumbai has passed an order dated March 30, 2019 again holding that JMFSL was liable to deduct tax at source from the amount of INR 1,25,57,013 payable to the National

Securities Clearing Corporation for the assessment year 2011-2012. The said order is received by JMFSL on June 4, 2019. JMFSL has filed an appeal before the ITAT on July 04, 2019.

- (vii) The disclosures under paragraph (xi) shall be deleted and replaced in their entirety with the following:

*For the assessment year 2012-2013, the Deputy Commissioner of Income Tax (TDS) – 2(1) by way of an order dated March 07, 2014 held that an amount of INR 94,74,058 was payable as default on account of borrowing cost on SLB transactions for assessment year 2012-2013. The order also held that an amount of INR 4,66,183 was payable on account of repair and maintenance expenses, an amount of INR 2,76,361 was payable on account of bank guarantee charges and an amount of INR 71,140 was payable on account of interest component of lease expenses. The total amount payable under this order was pegged at INR 1,02,87,742. The Office of the CIT (A), Mumbai by way of an order dated February 26, 2016 partially allowed the appeal filed by JMFSL. JMFSL has filed an appeal with the ITAT. The ITAT has passed an order on May 23, 2018 directing that if at the time of paying borrowing fees to NSCCL or even prior to it, the assessee was unaware of the identity and other details of the lenders, then it cannot be fastened with the liability of deduction of tax at source (TDS), since, the provisions for TDS become unworkable and the assessee cannot be compelled to perform an impossible act. The order giving effect to the ITAT order is awaited.*

- (viii) The details of proceedings mentioned under paragraph (xiv) shall be deleted in their entirety.

- (ix) JMFSL has filed certain criminal litigations under Section 138 of the Negotiable Instruments Act, 1881 for the recovery of INR 1,34,39,704 from certain defaulters.

- (d) *JM Financial Commtrade Limited ("JMFCCL")*

The disclosures under paragraph (ii) shall be deleted and replaced in their entirety with the following:

*JMFCCL received a notice dated January 31, 2017 from the Serious Fraud Investigation Office, Government of India ("SFIO") intimating JMFCCL that the central government had assigned the SFIO to investigate the affairs of the NSEL. Through the notice JMFCCL was required to provide to the SFIO certain corporate secretarial documents, trade related documentation and documents submitted with the Mumbai police, the Enforcement Directorate and the Central Bureau of Investigation in connection with the NSEL investigation. JMFCCL issued a reply to this letter dated February 20, 2017 providing responses to the SFIO along with the requested documents. JMFCCL has responded to the show cause notice received from the SEBI in September 2018 and the supplementary show cause notice received from the SEBI in February 2019 in relation to such matter.*

- (e) *J.M. Financial & Investment Consultancy Services Private Limited ("JMFICS")*

- (i) For the assessment year 2012-2013, the assessing officer made an additional disallowance of Rs. 29,97,416/- under Section 14A of the IT Act. An appeal was filed before the CIT(A) on April 29, 2015 against the said assessment order. The CIT(A) has decided the appeal against JMFICS vide order dated July 18, 2018. JMFICS has filed an appeal on September 24, 2018 in the ITAT against the order of the CIT(A), Mumbai. The date of hearing before the ITAT is awaited.

- (ii) For the assessment year 2013-2014, the assessing officer made an additional disallowance of Rs. 50,45,253/- under Section 14A of the IT Act. An appeal was filed before the CIT(A) on May 24, 2016 against the said assessment order. The CIT(A) has decided the appeal partially in favour of JMFICS vide order dated March 25, 2019. JMFICS has filed an appeal in the ITAT on June 18, 2019.

- (iii) For the assessment year 2014-2015, the assessing officer made an additional disallowance of Rs. 51,21,512/- under Section 14A of the IT Act. An appeal is filed before the CIT(A) on January 12, 2017 against the said assessment order. The date of hearing before the CIT(A) is awaited.
  - (iv) For the assessment year 2015-2016, the assessing officer made an additional disallowance of Rs. 1,46,29,110/- under Section 14A of the IT Act. An appeal is filed before the CIT(A) on January 23, 2018 against the said assessment order. The date of hearing before the CIT(A) is awaited.
  - (v) For the assessment year 2016-2017, the assessing officer made an additional disallowance of Rs. 2,21,30,561/- under Section 14A of the IT Act. An appeal is filed before the CIT(A) on January 9, 2019 against the said assessment order. The date of hearing before the CIT(A) is awaited.
- (f) *JM Financial Credit Solutions Limited ("JMFCL")*
- (i) JMFCL has filed certain criminal litigations under Section 138 of the Negotiable Instruments Act, 1881 for the recovery of INR 12,51,30,000 from certain defaulters.
  - (ii) Mr. K.N. Eshwara and Mr. K.N. Madhusudan had in August 2018 filed an application before the National Company Law Tribunal, Bengaluru bench under Section 241 and Section 242 of the Companies Act, 2013 alleging oppression and mismanagement of the affairs of a company named M/s Reality Constructions (Bangalore) Private Limited against the directors and shareholders of such company. The applicants have, *inter alia*, alleged that the directors had encumbered property situated in survey number 57/1, Hebbal Village, Kasaba, Bangalore North Taluk owned by the company to secure financial assistance obtained by the company from JMFCL. The applicants have alleged that such loan has been availed and the property has been encumbered in favour of JMFCL with an intention to defraud the company and have prayed for, *inter alia*, a declaration from the National Company Law Tribunal, Bengaluru bench that JMFCL has no secured interest on such property. The proceedings are currently pending before the National Company Law Tribunal, Bengaluru bench.

## THE ISSUE

The following are the terms of the Tranche II Issue. This should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled "*General Terms of the Issue*" beginning on page 85 of this Tranche II Prospectus.

### Common Terms of Secured NCDs\*

<b>Issuer</b>	JM Financial Products Limited.
<b>Lead Managers</b>	A. K. Capital Services Limited, JM Financial Limited** and Trust Investment Advisors Private Limited.
<b>Debenture Trustee</b>	IDBI Trusteeship Services Limited.
<b>Issue</b>	Public issue by our Company of Secured NCDs and/or Unsecured NCDs, for an amount aggregating up to ₹ 2,000 crores (" <b>Shelf Limit</b> ") pursuant to the Shelf Prospectus. The Unsecured, NCDs will be in the nature of Subordinated Debt and will be eligible for Tier II Capital.
<b>Tranche II Issue</b>	This Tranche II Issue is for Secured NCDs with a Base Issue size of an amount up to ₹ 100 crores, with an option to retain oversubscription up to ₹ 400 crores, aggregating up to ₹ 500 crores which is within the Shelf Limit.
<b>Registrar to the Issue</b>	Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited).
<b>Type and nature of instrument</b>	Secured NCDs of face value of ₹ 1,000.
<b>Base Issue</b>	₹ 100 crores
<b>Option to retain Oversubscription</b>	Upto ₹ 400 crores.
<b>Amount</b>	
<b>Face Value (in ₹ / NCD)</b>	1,000/-
<b>Issue Price (in ₹ / NCD)</b>	1,000/-
<b>Minimum application and in multiples of Seniority</b>	₹ 10,000 (10 NCD) collectively across all the Series and in multiples of ₹ 1,000 (1 NCD) after the minimum application amount across all the Series.
	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, and with all existing encumbrances and future financial indebtedness of the Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first ranking pari passu charge in favour of the Debenture Trustee on present and/or future receivables/assets of our Company, excluding therefrom such portion of the receivables secured or to be secured for the purposes of maintaining 'security cover' (by whatever name called) in connection with all other indebtedness of the Company, whether by way of loan or debentures or otherwise, under the terms of such other indebtedness which are / will not be offered to other lenders for their credit facilities; and/or first ranking pari passu charge on the Company's identified immovable property. No security will be created for Unsecured NCDs in the nature of Subordinated Debt. The Unsecured NCDs are in the nature of Subordinated Debt and will be eligible for Tier II Capital.
<b>Mode of Issue</b>	Public Issue.
<b>Listing</b>	BSE  BSE shall be the Designated Stock Exchange for the Issue.  The Secured NCDs shall be listed within 6 (six) Working Days from the Tranche II Issue Closing Date.
<b>Mode of Allotment and Trading</b>	Compulsorily in dematerialised form.
<b>Mode of settlement</b>	Please refer to the section titled " <i>Issue Structure</i> " beginning on page 91 of this Tranche II Prospectus.
<b>Market / Trading Lot</b>	One NCD.
<b>Depositories</b>	NSDL and CDSL.
<b>Security and asset cover</b>	The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, and with all existing encumbrances and future financial indebtedness of the Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first ranking pari passu charge in favour of the Debenture Trustee on present and/or future receivables/assets of our Company, excluding therefrom such portion of the receivables secured or to be secured for the purposes of maintaining 'security cover' (by whatever name called) in connection with all other indebtedness

<b>Who can apply/ Eligible Investors Credit Ratings</b>	of the Company, whether by way of loan or debentures or otherwise, under the terms of such other indebtedness which are / will not be offered to other lenders for their credit facilities; and/or first ranking pari passu charge on the Company's identified immovable property. Security for the purpose of this Issue will be created in accordance with the terms of the Debenture Trust Deed to ensure 100% security cover of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time. For further details please refer to the section titled " <i>Issue Structure</i> " beginning on page 91 of this Tranche II Prospectus.																		
	No security will be created for Unsecured NCDs in the nature of Subordinated Debt. The Unsecured NCDs are in the nature of Subordinated Debt and will be eligible for Tier II Capital.																		
	Please refer to the section titled " <i>Issue Procedure</i> " beginning on page 109 of this Tranche II Prospectus.																		
	<table border="1"> <thead> <tr> <th>Rating agency</th> <th>Instrument</th> <th>Rating symbol</th> <th>Date of credit rating letter</th> <th>Amount rated (in crores)</th> <th>Rating definition</th> </tr> </thead> <tbody> <tr> <td>ICRA</td> <td>Non-convertible debentures</td> <td>[ICRA]AA</td> <td>January 09, 2019 and further revalidated by letter dated July 24, 2019</td> <td>₹ 2,000 crore</td> <td>Stable</td> </tr> <tr> <td>CRISIL</td> <td>Non-convertible debentures</td> <td>CRISIL AA</td> <td>January 03, 2019 and further revalidated by letter dated July 30, 2019</td> <td>₹ 2,000 crore</td> <td>Stable</td> </tr> </tbody> </table>	Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated (in crores)	Rating definition	ICRA	Non-convertible debentures	[ICRA]AA	January 09, 2019 and further revalidated by letter dated July 24, 2019	₹ 2,000 crore	Stable	CRISIL	Non-convertible debentures	CRISIL AA	January 03, 2019 and further revalidated by letter dated July 30, 2019	₹ 2,000 crore	Stable
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	Please refer to pages 282 to 306 of this Tranche II Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA and CRISIL under the chapter " <i>General Information</i> " on page 14 of this Tranche II Prospectus.																		
<b>Pay-in date</b>	Application Date. The entire Application Amount is payable on Application.																		
<b>Application money</b>	The entire application amount is payable on submitting the Application.																		
<b>Record Date</b>	The Record Date for payment of interest in connection with the Secured NCDs or repayment of principal in connection therewith shall be 15 days prior to the date of payment of interest, and/or the Redemption Date and/or exercise of Call. In case of redemption of Secured NCDs, the trading in the Secured NCDs shall remain suspended between the Record Date and the Redemption Date. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchange, will be deemed as the Record Date.																		
<b>Issue Schedule***</b>	The Issue shall be open from August 6, 2019 to September 4, 2019 with an option to close earlier and/or extend upto a period as may be determined by the NCD Public Issue Committee.																		
<b>Objects of the Issue</b>	Please refer to the section titled " <i>Objects of the Tranche II Issue</i> " on page 74 of this Tranche II Prospectus.																		
<b>Details of the utilisation of Issue proceeds</b>	Please refer to the section titled " <i>Objects of the Tranche II Issue</i> " on page 74 of this Tranche II Prospectus.																		
<b>Coupon rate, coupon payment date and redemption premium/discount</b>	Please refer to the section titled " <i>Issue Structure</i> " beginning on page 91 of this Tranche II Prospectus.																		
<b>Step up/ Step down interest rates</b>	N.A.																		
<b>Interest type</b>	Please refer to the section titled " <i>Issue Structure</i> " beginning on page 91 of this Tranche II Prospectus.																		
<b>Interest reset process</b>	N.A.																		
<b>Tenor</b>	Please refer to the section titled " <i>Issue Structure</i> " beginning on page 91 of this Tranche II Prospectus.																		
<b>Coupon payment frequency</b>	Please refer to the section titled " <i>Issue Structure</i> " beginning on page 91 of this Tranche II Prospectus.																		
<b>Redemption date</b>	Please refer to the section titled " <i>Issue Structure</i> " beginning on page 91 of this Tranche II Prospectus.																		
<b>Redemption Amount</b>	Please refer to the section titled " <i>Issue Structure</i> " beginning on page 91 of this Tranche II Prospectus.																		
<b>Day count convention</b>	Actual/Actual																		
<b>Working Days convention/Day count</b>	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days,																		

<b>convention / Effect of holidays on payment</b>	<p>excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche II Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.</p> <p>Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the Secured NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.</p> <p>If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.</p> <p>If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the Secured NCDs until but excluding the date of such payment. The interest payments shall be made only on the subsequent day when the money market is functioning in Mumbai.</p>
<b>Tranche II Issue Opening Date</b>	August 6, 2019
<b>Tranche II Issue Closing Date</b>	September 4, 2019
<b>Default interest rate</b>	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/prescribed under applicable laws.
<b>Put Date / Price / notification time</b>	N.A.
<b>Call Date / Price / Notification Time / Deemed Date of Allotment</b>	<p>Please refer to the section titled “<i>Issue Structure</i>” beginning on page 91 of this Tranche II Prospectus.</p> <p>The date on which the Allotment Committee of the Board approves the Allotment of the Secured NCDs for the Tranche II Issue or such date as may be determined by the Board of Directors or the NCD Public Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of Secured NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the Secured NCDs including interest on Secured NCDs shall be available to the Debenture holders from the Deemed Date of Allotment.</p>
<b>Transaction documents</b>	Issue Agreement dated January 24, 2019 between our Company and the Lead Managers, and further amended by amendment agreement dated July 30, 2019, the Registrar Agreement dated January 24, 2019 with the Registrar to the Issue, the Public Issue Account Agreement dated July 30, 2019 executed with the Public Issue Account Bank, the Refund Bank, the Lead Managers and the Registrar to the Issue, the Lead Broker Agreement dated July 30, 2019 executed with the Lead Brokers and Lead Managers, the Debenture Trustee Agreement dated January 24, 2019 executed between our Company and the Debenture Trustee and the Debenture Trust Deed dated May 20, 2019 executed between our Company and the Debenture Trustee for creating the security over the Secured NCDs issued under the Issue and to protect the interest of Secured NCD Holders under the Issue.
<b>Conditions precedent and subsequent to the Issue</b>	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent and subsequent to disbursement. For further details, please refer to “ <i>Objects of the Tranche II Issue – Utilisation of Issue Proceeds</i> ” on page 76 of this Tranche II Prospectus.
<b>Events of default</b>	Please refer to the section titled “ <i>Issue Structure</i> ” on page 91 of this Tranche II Prospectus.
<b>Cross Default</b>	Please refer to the section titled “ <i>Issue Structure</i> ” on page 91 of this Tranche II Prospectus.
<b>Roles and responsibilities of the Debenture Trustee</b>	Please refer to the section titled “ <i>Terms of the Issue – Trustees for the Secured NCD Holders</i> ” on page 108 of this Tranche II Prospectus.
<b>Governing law and jurisdiction</b>	This Tranche II Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

*\*In terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the Secured NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation, if the Secured NCDs were originally issued in dematerialised form.*

*\*\*In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with Regulation 23(3) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, JMFL will be involved only in marketing of the Issue.*

*\*\*\*The subscription list shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. (Indian Standard Time), during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors in all those newspapers in which an advertisement for opening or closure of this Tranche II Issue has been given on or before such earlier or initial date of Tranche II Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

Please refer to page 311 for details pertaining to the cash flows of the Company in accordance with the SEBI circulars bearing numbers CIR/IMD/DF/18/2013 dated October 29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Please see pages 111, 109 and 125 of this Tranche II Prospectus under sections “*Issue Procedure – How to apply*”, “*Issue Procedure – Who can apply*” and “*Issue Procedure – Basis of allotment*”, respectively for details of category wise eligibility and allotment in the Tranche II Issue.

The specific terms of each instrument are set out below:

Terms and conditions in connection with Secured NCDs****Series	I	II	III	IV	V
Frequency of Interest Payment	Annual	Cumulative	Annual	Monthly	Cumulative
Who can apply	All category of investors can subscribe to all Series of NCDs				
Minimum Application	₹ 10,000 (10 NCDs)	₹ 10,000 (10 NCDs)	₹ 10,000 (10 NCDs)	₹ 10,000 (10 NCDs)	₹ 10,000 (10 NCDs)
In multiples of thereafter	₹ 1,000 (1 NCD)	₹ 1,000 (1 NCD)	₹ 1,000 (1 NCD)	₹ 1,000 (1 NCD)	₹ 1,000 (1 NCD)
Face Value of Secured NCDs (₹ / NCD)	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Issue Price (₹ / NCD)	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Tenor from Deemed Date of Allotment	38 months	38 months	60 months	60 months	84 months
Coupon Rate (% per annum)	10.20%	N.A.	10.30%	9.85%	N.A.
Effective Yield (Per annum)	10.21%	10.20%	10.29%	10.30%	10.40%
Mode of Interest Payment	Through various options available				
Redemption Amount (₹ / NCD)****	₹ 1,000	₹ 1,360.54	₹ 1,000	₹ 1,000	₹ 2,000/-
Maturity Date (From Deemed Date of Allotment)	38 months	38 months	60 months	60 months	84 months
Nature of indebtedness	Secured rated listed non-convertible debentures				
Put	N.A.	N.A.	N.A.	N.A.	N.A.
Call (anytime after the months to expire from the Deemed Date of Allotment)	N.A.	N.A.	36 months	36 months	N.A.

\*\*\*\* Our Company shall allocate and allot Series V Secured NCDs wherein the Applicants have not indicated their choice of the relevant Secured NCD Series. If the Deemed Date of Allotment undergoes a change, the coupon payment dates, Redemption Dates, Redemption Amounts and other cash flow workings shall be changed accordingly. In case our Company exercises the Call, Redemption Amount for Series III and IV shall be changed suitably.

Note : Call may be applicable in Series III and IV anytime after 36 months from Deemed Date of Allotment.

### Eligibility to receive additional incentive

The initial Allottees being Resident Indian Individuals forming part of Category III (High Net-worth Individual Investors other than Hindu Undivided Families) and Category IV (Retail Individual Investors other than Hindu Undivided Families) in the Tranche II Issue who are Senior Citizens (above 60 years of age) on the Deemed Date of Allotment shall be eligible for an additional incentive of 0.10% p.a. provided that, the NCDs issued under the proposed Tranche II Issue are continued to be held by such investors on the relevant Record Date for the relevant Coupon / Interest Payment Date for the relevant Series.

Accordingly, the amount payable on redemption of Secured NCDs issued under Series II and Series V Secured NCDs to such Senior Citizens is INR 1,364.45 and INR 2,012.70 per NCD respectively.

To clarify, additional Coupon/Interest will be paid either on the NCDs allotted on the Deemed Date of Allotment or held on the Record Date, whichever is lower, and will not be paid for the NCDs bought/acquired by the NCD Holders through secondary market/open market.

The procedure with respect to identification of such investors eligible to receive the incentive payment and payment of the incentive is set out in the section titled "*Issue Structure—Incentive Payment*" on page 99 of this Tranche II Prospectus.

## OBJECTS OF THE TRANCHE II ISSUE

Our Company proposes to utilise the funds which are being raised through the Tranche II Issue, after deducting the Tranche II Issue related expenses to the extent payable by our Company (“**Net Proceeds**”), towards funding the following objects (collectively, referred to herein as the “**Objects**”):

### Issue proceeds

Public issue by the Company of Secured NCDs of face value ₹ 1,000 each and/or Unsecured NCDs of face value ₹ 1,000 each (“**NCDs**”), for an amount aggregating upto ₹ 2,000 crores (“**Shelf Limit**”).

This Tranche II Issue is for the issue of Secured NCDs with a base issue size of ₹ 100 crores and option to retain oversubscription upto ₹ 400 crores, aggregating up to ₹ 500 crores which is within the Shelf Limit (“**Tranche II Issue**”). This Tranche II Issue is being made pursuant to the terms and conditions of this Tranche II Prospectus, which should be read together with the Shelf Prospectus dated April 11, 2019 filed with the Registrar of Companies, Maharashtra, the Designated Stock Exchange and the Securities and Exchange Board of India (“**SEBI**”) under the provisions of SEBI Debt Regulations, the Companies Act, 2013 and rules made thereunder as amended to the extent notified.

The details of the proceeds of the Tranche II Issue are summarized below:

Particulars	Estimated amount (in ₹ crores)
Gross proceeds of the Tranche II Issue*	500.0
Less: - Tranche II Issue related expenses**	15.7
<b>Net Proceeds</b>	<b>484.3</b>

\*Assuming this Tranche II Issue is fully subscribed and our Company retains oversubscription.

\*\* The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche II Issue and the number of Allotees, market conditions and other relevant factors.

The following table details the objects of the Tranche II Issue and the amount proposed to be financed from the Net Proceeds:

S. No.	Objects of the Tranche II Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing, and for repayment /prepayment of interest and/or principal of borrowings of the Company <sup>#</sup>	At least 75%
2.	General Corporate Purposes*	Maximum of up to 25%
	<b>Total</b>	<b>100%</b>

<sup>#</sup>Our Company shall not utilize the proceeds of the Tranche II Issue towards payment of prepayment penalty, if any.

\*The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Tranche II Issue, in compliance with the SEBI Debt Regulations.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through the Tranche II Issue.

### Issue Related Expenses

The expenses for the Tranche II Issue include, inter alia, lead management fees and selling commission to the lead managers, lead-brokers, fees payable to debenture trustees, underwriters, the Registrar to the Issue, SCSBs’ commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Tranche II Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for the Tranche II Issue is as follows\*:

Activity	Expenses (in ₹ crores)
Fees to intermediaries (Lead Management Fee, brokerage, rating agency, registrar, legal advisors, Debenture Trustees etc.)	13.8
Advertising and Marketing Expenses	1.7

Activity	Expenses (in ₹ crores)
Printing and Stationery	0.2
<b>Total</b>	<b>15.7</b>

*\*Assuming this Tranche II Issue is fully subscribed and our Company retains oversubscription.*

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche II Issue and the number of Allottees, market conditions and other relevant factors.

Our Company shall pay processing fees to the SCSBs for Application forms procured by the Designated Intermediaries and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹15 per Application Form procured (plus other applicable taxes). However, it is clarified that in case of Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee.

#### **Purpose for which there is a requirement of funds**

As stated in this section.

#### **Funding plan**

NA

#### **Summary of the project appraisal report**

NA

#### **Schedule of implementation of the project**

NA

#### **Monitoring of utilisation of funds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Audit Committee of our Company shall monitor the utilisation of the proceeds of the Tranche II Issue. Our Company will disclose in the Company's financial statements for the relevant financial year commencing from Financial Year 2019-2020, the utilisation of the proceeds of the Tranche II Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche II Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Tranche II Issue.

#### **Interim use of proceeds**

The management of the Company will have flexibility in deploying the proceeds received from the Issue. Pending utilisation of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in income bearing liquid instruments including money market mutual funds, deposits with banks or deploy the funds in income bearing securities as may be approved by the Board / Committee of Directors of the Company, as the case may be. Such investment would be in accordance with the investment policy of our Company approved by the Board or any committee thereof from time to time.

#### **Other confirmations**

In accordance with the SEBI Debt Regulations, our Company will not utilise the proceeds of the Issue for providing loans to or acquisition of shares of any person who is a part of the same group as our Company or who is under the same management as our Company.

The Tranche II Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

No part of the proceeds from this Tranche II Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in ordinary course of business.

No part of the proceeds from this Tranche II Issue will be utilized for buying, trading or otherwise dealing in equity shares of any other listed company.

Further the Company undertakes that the Tranche II Issue proceeds from Secured NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations.

The Company confirms that it will not use the proceeds of the Tranche II Issue for the purchase of any business or in the purchase of any interest in any business whereby the Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

#### **Variation in terms of contract or objects**

The Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Tranche II Prospectus is issued, except as may be prescribed under the applicable laws and under Section 27 of the Companies Act, 2013.

#### **Benefit / interest accruing to Promoter/Directors out of the object of the Issue**

Neither the Promoter nor the Directors of our Company are interested in the Objects of this Tranche II Issue except to the extent of fees required to be paid to JMFL in their capacity as a Lead Manager.

#### **Utilisation of Issue Proceeds**

- a) All monies received pursuant to the Tranche II Issue of Secured NCDs to public shall be transferred to a separate bank account other than the bank account of the Company, as required under sub-section (3) of Section 40 of the Companies Act, 2013;
- b) Details of all monies utilised out of Tranche II Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
- c) Details of all unutilised monies out of Tranche II Issue of Secured NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested;
- d) We shall utilize the Tranche II Issue proceeds only upon receipt of the minimum subscription, creation of security and receipt of listing and trading approval from Stock Exchange;
- e) The Tranche II Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property; and
- f) Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

## STATEMENT OF TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

### **The Board of Directors**

### **JM Financial Products Limited**

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

Dear Sir,

**Sub: PROPOSED PUBLIC ISSUE BY JM FINANCIAL PRODUCTS LIMITED (“COMPANY”) OF SECURED, REDEEMABLE, NON CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,000 EACH AND UNSECURED, REDEEMABLE, NON CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,000 EACH AGGREGATING UPTO RS. 2,000 CRORE (“NCDS”) THROUGH ONE OR MORE TRANCHES (“ISSUE”).**

We refer to the proposed issue of Non-Convertible Debentures by the Company. We enclose herewith the statement showing the current positions of special tax benefits available to the debenture holders as per the provisions of the Income-tax Act, 1961, (“I.T. Act”) and Income tax Rules, 1962 including amendments made by Finance Act 2019 and as proposed by Finance (No.2) Bill, 2019 as applicable for inclusion in the shelf prospectus and/or tranche prospectus(es) (together referred to as the “Offer Document”) in connection with the Issue. Several of these benefits are dependent on the Company and its debenture holders fulfilling the conditions prescribed under the relevant provisions of the I.T. Act. Hence, the ability of the debenture holders to derive the direct tax benefits is dependent upon fulfilling such conditions.

We are informed that the debentures of the Company will be listed on recognized stock exchanges in India. The Annexure has been prepared on that basis.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. This statement is only intended to provide general information to the debenture holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each debenture holder is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which a debenture holder can avail. Neither are we suggesting nor are we advising the debenture holders to invest money based on this statement.

We accept no responsibility to debenture holders or any third party and this should be stated in Offer Documents. The contents of the enclosed statement are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express or opine or provide any assurance as to whether:

- The Company or its debenture holders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been / would be met with;
- The revenue authorities/courts will concur with the views expressed herein.

This statement is prepared solely for the purpose of assisting the Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.

We hereby give our consent to include enclosed statement regarding the special tax benefits available to the Company and to its debenture holders in the Offer Documents for the Issue which the Company intends to file with BSE Limited, the Securities and Exchange Board of India, the relevant Registrar of Companies in India and any other regulatory authorities as required under the applicable laws, in connection with the Issue.

## LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

This statement has been prepared solely in connection with the Offer under the Regulations.

All Capitalized terms used but not defined herein shall have the same meaning assigned to such terms in the Offer Documents.

Yours Faithfully,

For **Khimji Kunverji & Co. LLP**  
Chartered Accountants  
(Firm's Registration No. 106146W)

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**ANNEXURE**  
**STATEMENT OF TAX BENEFITS**

The information provided below sets out the possible direct tax benefits available to the debenture holders of the company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of non-convertible debentures ("debentures"), under the current tax laws presently in force in India. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a debenture holder faces, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company or its debenture holders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

**Debenture holders are advised to consult their own tax consultant with respect to the tax implications of an investment in the debentures particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.**

Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

This statement has been prepared solely in connection with the Issue under the Regulations as amended.

**STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS**

**A. Under the Income-Tax Act, 1961 ("I.T. Act")**

**I. Tax benefits available to the Resident Debenture Holders**

1. Interest on debentures received by resident debenture holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.
2. As per section 2(29A) read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

As per section 112 of the I.T. Act, Capital gains arising on the transfer of long term capital assets being listed debentures are subject to tax at the rate of 10% [plus applicable surcharge and Health and Education Cess ("cess")] of capital gains calculated without indexation of the cost of acquisition. The capital gains shall be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the debentures from the sale consideration.

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

3. As per section 2(42A) of the I.T. Act, a listed debenture is treated as a short term capital asset if the same is held for not more than 12 months immediately preceding the date of its transfer.

Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 2 above would also apply to such short term capital gains.

4. In case debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.
5. Income tax is deductible at source on interest on debentures, payable to resident debenture holders at the time of credit / payment as per the provisions of section 193 of the I.T. Act. However, no income tax is deductible at source in respect of any security issued by a Company in a dematerialized Form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act 1956 and the rules made thereunder.
6. Interest on application money and interest on refund application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A of the I.T. Act.
7. In case of every Individual, being a resident in India, who is of the age sixty years or more but less than eighty years at any time during the previous year rate of income tax is nil (where total income does not exceed Rs.3,00,000), 5% of amount by which total income exceeds Rs. 3,00,000 (where total income is more than Rs. 3,00,000 but does not exceed Rs. 5,00,000), 20% of the amount by which the total income exceeds Rs.5,00,000 (where total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000) and 30% of the amount by which the total income exceeds Rs. 10,00,000. Plus Surcharge, if any, and Health and Education Cess @4% on the aggregate of Income Tax and Surcharge.
8. In case of every Individual, being a resident in India, who is of the age eighty years or more at any time during the previous year rate of income tax is nil (where total income does not exceed Rs.5,00,000), 20% of the amount by which the total income exceeds Rs.5,00,000 (where total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000) and 30% of the amount by which the total income exceeds Rs. 10,00,000. Plus Surcharge, if any, and Health and Education Cess @4% on the aggregate of Income Tax and Surcharge.
9. In Finance Bill (No.2) 2019 it is proposed that in the case of Resident Indian, surcharge at the rate of 10% of such tax liability (if net income exceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000), 15% of such tax liability (if net income exceeds Rs. 1,00,00,000 and does not exceed Rs. 2,00,00,000), 25% of such tax liability (if net income exceeds Rs. 2,00,00,000 and does not exceed Rs. 5,00,00,000) and 37% of such tax liability (if net income exceeds Rs. 5,00,00,000).

## **II. Tax benefits available to the Non - Resident Debenture Holders**

1. A non-resident Indian has an option to be governed by Chapter XII-A of the I. T. Act, subject to the provisions contained therein which are given in brief as under:
  - a. As per section 115C(e) of the I. T. Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.
  - b. As per section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition.

Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

- c. As per section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I. T. Act in accordance with and subject to the provisions contained therein. However, if the new assets are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains claimed earlier would become chargeable to tax as long term capital gains in the year in which the new assets are transferred or converted into money.
  - d. As per section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and / or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.
  - e. As per section 115H of the I.T. Act, where a non-resident Indian becomes assessable as resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.
2. In accordance with and subject to the provisions of section 115-I of the I.T. Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,
    - a. Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.
    - b. Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act
    - c. Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.
  3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E of the I.T. Act, and at the normal rates for Short Term Capital Gains if the payee debenture holder is a Non - resident Indian.
  4. Interest on application money and interest on refund application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 195 of the I.T. Act
  5. The income tax deducted shall be increased by surcharge as under:
    - a. In Finance Bill (No.2) 2019 it is proposed that in the case of non-resident Indian, surcharge at the rate of 10% of such tax liability (if net income exceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000), 15% of such tax liability (if net income exceeds Rs. 1,00,00,000 and does not exceed Rs. 2,00,00,000), 25% of such tax liability (if net income exceeds Rs. 2,00,00,000 and does not exceed Rs. 5,00,00,000) and 37% of such tax liability (if net income exceeds Rs. 5,00,00,000).
    - b. In the case of Foreign companies, surcharge is applicable at the rate of 2% of such tax liability where the income or the aggregate of such income paid or likely to be paid and subject to deduction exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000. Surcharge at the rate of 5% of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs.

10,00,00,000.

- c. Cess is to be applied at 4% on aggregate of base tax and surcharge.
6. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate ("TRC"), is a mandatory condition for availing benefits under any DTAA. If the TRC does not contain the prescribed particulars, a self-declaration in Form 10F would need to be provided by the assessee along with TRC.
7. Alternatively, to ensure non-deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

### **III. Tax benefit available to the foreign portfolio investors (FPIs)**

1. As per Section 2(14) of the I.T. Act, any securities held by FPIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act., 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FPIs as capital gains.
2. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FPIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.
3. Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess) in accordance with and subject to the provisions of Section 115AD of the I.T. Act.
4. Section 194LD in the I. T. Act provides for lower rate of withholding tax at the rate of 5% (plus applicable surcharge and cess) on payment by way of interest paid by an Indian company to FPIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company till July 1, 2020 provided such rate does not exceed the rate as may be notified by the Government.
5. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FPIs.
6. The enhanced surcharge rate as proposed by Finance (No. 2) Bill 2019 and which is mentioned at (Para I(9)) is also applicable to entities who are registered as Trust, AOP and BOI.

### **IV. Tax benefits available to Mutual Funds**

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

### **V. Exemption under Section 54EE and 54F of the I.T. Act**

1. As per provisions of Section 54EE of the I.T. Act, long term capital gains arising to debenture holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified units within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified units are transferred within three years from their date of acquisition, the amount of capital gain claimed earlier would become chargeable tax as long term capital gains in the year in which units are transferred. Further, in case where loan

or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which such loan or advance is taken. However, the amount of exemption with respect to the investment made in the aforesaid notified units during the financial year in which such debentures are transferred and the subsequent financial year, should not exceed Rs. 50 lacs.

2. As per provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a debenture holders who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax claimed earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the debenture holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

#### **VI. Requirement to furnish PAN under the I.T. Act**

1. Section 139A(5A) of the I.T. Act requires every person receiving any sum or income or amount from which tax has been deducted under Chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deducting such tax.
2. Section 206AA of the I.T. Act requires every person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVII-B ("deductee") to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:
  - i. at the rate specified in the relevant provision of the I. T. Act; or
  - ii. at the rate or rates in force; or
  - iii. at the rate of twenty per cent.
3. As per Rule 37BC, the higher rate under section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect, of payment of interest, if the non-resident deductee furnishes the prescribed details *inter alia* TRC and Tax Identification Number (TIN).
4. A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per para (2) above in such a case.
5. Where a wrong PAN is provided, it will be regarded as non – furnishing of PAN and para (2) above will apply apart from penal consequences.

#### **VII. Taxability of Gifts received for nil or inadequate consideration**

As per section 56(2)(x) of the I.T. Act, where any person receives debentures from any person on or after 1<sup>st</sup> April, 2017:

- a. without consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;
- b. for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such

consideration

shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated in section 56(2)(x) of the I. T. Act.

**NOTES:**

- The statement of tax benefits enumerated above is as per the Income-tax Act, 1961, as amended by Finance Act, 2019 and also as proposed in the Finance (No.2) Bill 2019.
- Surcharge is levied on individuals, HUF, association of persons, body of individuals and artificial juridical person as per para I(9) and para II(5) above.
- Surcharge is levied on firm, co-operative society and local authority at the rate of 12% on tax where the total income exceeds Rs. 1 crore.
- Surcharge is levied on domestic companies at the rate of 7% on tax where the income exceeds Rs 1 crore but does not exceed Rs. 10 crores and at the rate of 12% on tax where the income exceeds Rs. 10 crores.
- Surcharge is levied on every company other than domestic company at the rate of 2% on tax where the income exceeds Rs. 1crore but does not exceed Rs. 10 crores and at the rate of 5% on tax where the income exceeds Rs. 10 crores.
- Health and Education Cess is to be applied at the rate of 4% on aggregate of base tax and surcharge.
- Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.

## SECTION V: ISSUE RELATED INFORMATION

### GENERAL TERMS OF THE ISSUE

#### Authority for the Tranche II Issue

At the meetings of the Board of Directors of our Company, held on October 24, 2018 and July 11, 2019, the Board of Directors approved the issuance to the public of Secured NCDs of face value of ₹ 1,000 each and Unsecured NCDs of face value of ₹ 1,000 each, aggregating up to ₹ 2,000 crores ("**Shelf Limit**") to the public, hereinafter called the "**Issue**". The Unsecured NCDs shall be in the nature of Subordinated Debt and shall be eligible for inclusion as Tier II Capital.

The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any tranche issue (each a "**Tranche Issue**"), and such Tranche Issue shall be decided by NCD Public Issue Committee of Board of Directors.

Further, the present borrowing is within the borrowing limits of ₹ 14,000 crores under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' *vide* their resolution dated October 25, 2018.

Further, the NCD Public Issue Committee of the Board of Directors has approved the Issue and the Draft Shelf Prospectus by way of resolution dated February 01, 2019 and the Shelf Prospectus and Tranche I Prospectus dated April 11, 2019 by way of resolution dated April 11, 2019. Further, the NCD Public Issue Committee of the Board of Directors has approved the Tranche II Prospectus dated July 31, 2019 by way of resolution dated July 31, 2019.

#### Principal terms and conditions of this Tranche II Issue

The Secured NCDs being offered as part of this Tranche II Issue are subject to the provisions of the SEBI Debt Regulations, the relevant provisions of the Companies Act, 2013 and regulations framed by the RBI, as on the date of this Tranche II Prospectus, our Memorandum and Articles of Association, the terms of this Tranche II Prospectus, the Shelf Prospectus, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/ the GoI/ Stock Exchanges/ RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the Secured NCDs.

#### Ranking of the Secured NCDs

The Secured NCDs would constitute secured obligations of ours and shall rank *pari passu* inter se, and with all existing encumbrances and future financial indebtedness of the Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first ranking *pari passu* charge in favour of the Debenture Trustee on present and/or future receivables/assets of our Company, excluding therefrom such portion of the receivables secured or to be secured for the purposes of maintaining 'security cover' (by whatever name called) in connection with all other indebtedness of the Company, whether by way of loan or debentures or otherwise, under the terms of such other indebtedness which are / will not be offered to other lenders for their credit facilities; and/or first ranking *pari passu* charge on the Company's identified immovable property. Security for the purpose of this Issue has been created in accordance with the terms of the Debenture Trust Deed dated May 20, 2019 to ensure 100% security cover of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time.

The Company is required to obtain permissions / consents from the existing creditors for proceeding with this Issue and the Company has obtained such permissions / consents as on the date of this Tranche II Prospectus.

#### Debenture Redemption Reserve\*

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of the company available for payment of dividend, (b) the DRR shall be equivalent to 25% of the value of the outstanding debentures issued pursuant to the public issue in accordance with the SEBI Debt Regulations in case of NBFCs registered with the RBI and no DRR is required in the case of privately placed debentures.

Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued through this Tranche II Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the Secured NCDs. Every company required to create or maintain DRR shall on or before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilised for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year.

*\*As part of the recently announced Union Budget 2019-2020, the Ministry of Finance, Government of India has stated that in order to allow NBFCs to raise funds in public issues, the requirement of creating a DRR, which is currently applicable for only for public issues, is proposed to be done away with. This provision, however, has not yet been notified by the Ministry of Corporate Affairs and is not in force as on the date of this Tranche II Prospectus. Upon this provision coming into effect, unless expressly or by implication stated otherwise in the notification / circular to be issued by the Ministry of Corporate Affairs, we shall utilise the provisions of such notification/ circular in accordance with the terms and conditions as set out therein and subject to applicable law, for securities issued pursuant to this document.*

### **Face Value**

The face value of each of the Secured NCDs shall be ₹ 1,000.

### **Secured NCD Holder not a shareholder**

The Secured NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent as may be prescribed under the Companies Act, 2013, the SEBI LODR Regulations and any other applicable law.

### **Rights of the Secured NCD Holders**

Some of the significant rights available to the Secured NCD Holders are as follows:

1. The Secured NCDs shall not, except as provided in the Companies Act, 2013, confer upon the Secured NCD Holders thereof any rights or privileges available to our members including the right to receive notices, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the Secured NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered Secured NCD Holders for their consideration. The opinion of the Debenture Trustee as to whether such resolution is affecting the right attached to the Secured NCDs is final and binding on Secured NCD holders. In terms of Section 136 of the Companies Act, 2013 the Secured NCD Holders shall be entitled to inspect a copy of the balance sheet and copy of trust deed at the registered office of the Company during business hours.
2. Subject to applicable statutory/ regulatory requirements, including requirements of the RBI, the rights, privileges and conditions attached to the Secured NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Secured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Secured NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Secured NCDs, if the same are not acceptable to us.
3. In case of Secured NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depository; and (ii) physical form, the registered Secured NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such Secured NCDs, either in person or by proxy, at any meeting of the concerned Secured NCD Holders and every such Secured NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Secured NCD Holders shall be in proportion to the

outstanding nominal value of Secured NCDs held by him/her.

4. The Secured NCDs are subject to the provisions of the SEBI Debt Regulations, the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Tranche II Prospectus, the Shelf Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the Secured NCDs.
5. For Secured NCDs in physical form, a register of debenture holders will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For Secured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any Secured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of the Issuer under Section 94 of the Companies Act, 2013, unless the same has been moved in accordance with Applicable Law.
6. Subject to compliance with RBI requirements, Secured NCDs can be rolled over only with the consent of the Secured NCD Holders of at least 75% of the outstanding amount of the Secured NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the Secured NCD Holders are merely indicative. The final rights of the Secured NCD Holders will be as per the terms of this Tranche II Prospectus, the Shelf Prospectus and the Debenture Trust Deed.

### **Minimum Subscription**

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of the Base Issue, being ₹ 75 crores within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within the timelines prescribed under Applicable Law. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circulars (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012 and (bearing CIR/DDHS/P/121/2018) dated August 16, 2018.

### **Market Lot and Trading Lot**

The Secured NCDs shall be allotted in dematerialised form. As per the SEBI Debt Regulations, the trading of the Secured NCDs shall be in dematerialised form only. Since trading of the Secured NCDs is in dematerialised form, the tradable lot is one Secured NCD.

Please note that the Secured NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such Secured NCDs) prior to redemption of the Secured NCDs.

Allotment in this Tranche II Issue will be in electronic form and in multiples of one Secured NCD. For details of Allotment see the section titled “*Issue Procedure*” at page 109 of this Tranche II Prospectus.

## **Nomination facility to Secured NCD Holders**

In accordance with Section 72 of the Companies Act, 2013 (read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, the sole Secured NCD Holder or first Secured NCD Holder, along with other joint Secured NCD Holders (being individual(s) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Secured NCDs. A person, being a nominee, becoming entitled to the Secured NCDs by reason of the death of the Secured NCD Holder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the Secured NCD. Where the nominee is a minor, the Secured NCD Holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Secured NCDs, in the event of the Secured NCD Holder's death during the minority of the nominee. A nomination shall stand rescinded upon sale of the Secured NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the Secured NCDs are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such Secured NCD Holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office, at such other addresses as may be notified by us, or at the office of the Registrar to the Issue or the transfer agent.

Secured NCD Holders are advised to provide the specimen signature of the nominee to us to expedite the transmission of the Secured NCDs to the nominee in the event of demise of the Secured NCD Holders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, In the event of death of the Secured NCD Holder(s), or where the NCDs are held by more than one person jointly, in the event of death of all the joint Secured NCD Holder(s), the nominee may upon the production of such evidence as may be required by the Board, elect, either:

- (a) To register himself or herself as the holder of the Secured NCDs; or
- (b) To transfer the Secured NCDs, as the deceased holder could have done.

Secured NCD Holders who are holding Secured NCDs in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Secured NCD Holder will prevail. If the Secured NCD Holders require to changing their nominations, they are requested to inform their respective Depository Participant.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Secured NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the Secured NCDs, until the requirements of the notice have been complied with.

## **Succession**

Where Secured NCDs are held in joint names and one of the joint Secured NCD Holder dies, the survivor(s) will be recognized as the Secured NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased Secured NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased Secured NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the Secured NCDs. In the event of demise of the sole or first holder of the Secured NCDs, our Company will recognise the executors or administrator of the deceased Secured NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Secured NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. Our Directors, the Board, any committee of the Board or any other person authorised by the Board in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of Secured NCD Holders who are holding Secured NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased Secured NCD Holder. He shall approach the respective Depository Participant of the Secured NCD Holder for this purpose and submit necessary documents as required by the Depository Participant. Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Tranche II Issue is with the competent courts of jurisdiction in Mumbai, India.

### **Application in the Issue**

Secured NCDs being issued through the Shelf Prospectus and this Tranche II Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Tranche II Issue shall be made through the ASBA facility only.

In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the Secured NCDs in physical form will rematerialise the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

### **Period of subscription**

<b>TRANCHE II ISSUE OPENS ON</b>	August 6, 2019
<b>TRANCHE II ISSUE CLOSES ON</b>	September 4, 2019

The Tranche II Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated above, except that this Tranche II Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("**Board**") or the NCD Public Issue Committee. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors in all those newspapers in which an advertisement for opening or closure of this Tranche II Issue has been given on or before such earlier or initial date of Tranche II Issue closure. Applications Forms for this Tranche II Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Tranche II Issue Closing Date, Application Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Tranche II Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchange on the Tranche II Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche II Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Tranche II Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche II Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under this Tranche II Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Designated Intermediaries are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. As per the SEBI circular dated October 29, 2013, the allotment in the Issue should be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

### **Joint-holders**

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

**Procedure for rematerialisation of NCDs**

Secured NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

**Restriction on transfer of NCDs**

There are currently no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any RBI requirements and/or as provided in our Articles of Association. Please see the section titled "*Summary of the Key Provisions of the Articles of Association*" at page 217 of the Shelf Prospectus.

## ISSUE STRUCTURE

The following are the terms of the Secured NCDs. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in "*General Terms of the Issue*" on page 85 of this Tranche II Prospectus

The key common terms and conditions of the Secured NCDs\* are as follows:

Particulars	Terms and Conditions
<b>Minimum Application Size</b>	₹ 10,000 (10 NCD) collectively across all the Series
<b>Mode of allotment</b>	Compulsorily in dematerialised form
<b>Terms of Payment</b>	Full amount on application
<b>Trading Lot</b>	One NCD
<b>Who can apply</b>	<p><b>Category I</b></p> <ul style="list-style-type: none"> <li>• Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;</li> <li>• Provident funds and pension funds with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;</li> <li>• Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;</li> <li>• Resident Venture Capital Funds registered with SEBI;</li> <li>• Insurance companies registered with the IRDA;</li> <li>• State industrial development corporations;</li> <li>• Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>• Insurance funds set up and managed by the Department of Posts, the Union of India;</li> <li>• Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements</li> <li>• National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and</li> <li>• Mutual funds registered with SEBI.</li> </ul> <p><b>Category II</b></p> <ul style="list-style-type: none"> <li>• Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;</li> <li>• Co-operative banks and regional rural banks;</li> <li>• Trusts including Public/private charitable/religious trusts which are authorised to invest in the NCDs;</li> <li>• Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>• Partnership firms in the name of the partners; and</li> <li>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).</li> <li>• Association of Persons; and</li> <li>• Any other incorporated and/ or unincorporated body of persons</li> </ul> <p><b>Category III</b></p> <ul style="list-style-type: none"> <li>• High Net-worth Individual Investors ("HNIs") - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above INR 1,000,000 across all Series of NCDs in the Issue</li> </ul> <p><b>Category IV</b></p> <ul style="list-style-type: none"> <li>• Retail Individual Investors - Resident Indian individuals and Hindu</li> </ul>

Undivided Families through the Karta applying for an amount aggregating up to and including INR 1,000,000 across all Series of NCDs in the Issue.

*\*In terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation, if the NCDs were originally issued in dematerialised form.*

**Participation by any of the above-mentioned investor classes in this Tranche II Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of Secured NCDs that can be held by them under applicable statutory and/or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Tranche II Issue.**

For further details, please see "Issue Procedure" on page 109 of this Tranche II Prospectus.

## TERMS AND CONDITIONS IN CONNECTION WITH THE SECURED NCDs\*

### Common Terms of Secured NCDs\*

<b>Issuer</b>	JM Financial Products Limited.
<b>Lead Managers</b>	A. K. Capital Services Limited, JM Financial Limited** and Trust Investment Advisors Private Limited.
<b>Debenture Trustee</b>	IDBI Trusteeship Services Limited.
<b>Issue</b>	Public issue by our Company of Secured NCDs and/or Unsecured NCDs, for an amount aggregating up to ₹ 2,000 crores (" <b>Shelf Limit</b> ") pursuant to the Shelf Prospectus. The Unsecured, NCDs will be in the nature of Subordinated Debt and will be eligible for Tier II Capital.
<b>Tranche II Issue</b>	This Tranche II Issue is for Secured NCDs with a Base Issue size of an amount up to ₹ 100 crores, with an option to retain oversubscription up to ₹ 400 crores, aggregating up to ₹ 500 crores which is within the Shelf Limit.
<b>Registrar to the Issue</b>	Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited).
<b>Type and nature of instrument</b>	Secured NCDs of face value of ₹ 1,000.
<b>Base Issue</b>	₹ 100 crores
<b>Option to retain Oversubscription</b>	Upto ₹ 400 crores.
<b>Amount</b>	
<b>Face Value (in ₹ / NCD)</b>	1,000/-
<b>Issue Price (in ₹ / NCD)</b>	1,000/-
<b>Minimum application and in multiples of Seniority</b>	₹ 10,000 (10 NCD) collectively across all the Series and in multiples of ₹ 1,000 (1 NCD) after the minimum application amount across all the Series.
	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, and with all existing encumbrances and future financial indebtedness of the Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first ranking pari passu charge in favour of the Debenture Trustee on present and/or future receivables/assets of our Company, excluding therefrom such portion of the receivables secured or to be secured for the purposes of maintaining 'security cover' (by whatever name called) in connection with all other indebtedness of the Company, whether by way of loan or debentures or otherwise, under the terms of such other indebtedness which are / will not be offered to other lenders for their credit facilities; and/or first ranking pari passu charge on the Company's identified immovable property. No security will be created for Unsecured NCDs in the nature of Subordinated Debt. The Unsecured NCDs are in the nature of Subordinated Debt and will be eligible for Tier II Capital.
<b>Mode of Issue</b>	Public Issue.
<b>Listing</b>	BSE
	BSE shall be the Designated Stock Exchange for the Issue.
	The Secured NCDs shall be listed within 6 (six) Working Days from the Tranche II Issue Closing

<b>Mode of Allotment and Trading</b>	Date.																		
	Compulsorily in dematerialised form.																		
<b>Mode of settlement</b>	Please refer to the section titled " <i>Issue Structure</i> " beginning on page 91 of this Tranche II Prospectus.																		
<b>Market / Trading Lot</b>	One NCD.																		
<b>Depositories</b>	NSDL and CDSL.																		
<b>Security and asset cover</b>	<p>The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, and with all existing encumbrances and future financial indebtedness of the Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first ranking pari passu charge in favour of the Debenture Trustee on present and/or future receivables/assets of our Company, excluding therefrom such portion of the receivables secured or to be secured for the purposes of maintaining 'security cover' (by whatever name called) in connection with all other indebtedness of the Company, whether by way of loan or debentures or otherwise, under the terms of such other indebtedness which are / will not be offered to other lenders for their credit facilities; and/or first ranking pari passu charge on the Company's identified immovable property. Security for the purpose of this Issue will be created in accordance with the terms of the Debenture Trust Deed to ensure 100% security cover of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time. For further details please refer to the section titled "<i>Issue Structure</i>" beginning on page 91 of this Tranche II Prospectus.</p> <p>No security will be created for Unsecured NCDs in the nature of Subordinated Debt. The Unsecured NCDs are in the nature of Subordinated Debt and will be eligible for Tier II Capital.</p>																		
<b>Who can apply/ Eligible Investors</b>	Please refer to the section titled " <i>Issue Procedure</i> " beginning on page 109 of this Tranche II Prospectus.																		
<b>Credit Ratings</b>	<table border="1"> <thead> <tr> <th>Rating agency</th> <th>Instrument</th> <th>Rating symbol</th> <th>Date of credit rating letter</th> <th>Amount rated (in crores)</th> <th>Rating definition</th> </tr> </thead> <tbody> <tr> <td>ICRA</td> <td>Non-convertible debentures</td> <td>[ICRA]AA</td> <td>January 09, 2019 and further revalidated by letter dated July 24, 2019</td> <td>₹ 2,000 crore</td> <td>Stable</td> </tr> <tr> <td>CRISIL</td> <td>Non-convertible debentures</td> <td>CRISIL AA</td> <td>January 03, 2019 and further revalidated by letter dated July 30, 2019</td> <td>₹ 2,000 crore</td> <td>Stable</td> </tr> </tbody> </table> <p>Please refer to pages 282 to 306 of this Tranche II Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA and CRISIL under the chapter "<i>General Information</i>" on page 14 of this Tranche II Prospectus.</p>	Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated (in crores)	Rating definition	ICRA	Non-convertible debentures	[ICRA]AA	January 09, 2019 and further revalidated by letter dated July 24, 2019	₹ 2,000 crore	Stable	CRISIL	Non-convertible debentures	CRISIL AA	January 03, 2019 and further revalidated by letter dated July 30, 2019	₹ 2,000 crore	Stable
Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated (in crores)	Rating definition														
ICRA	Non-convertible debentures	[ICRA]AA	January 09, 2019 and further revalidated by letter dated July 24, 2019	₹ 2,000 crore	Stable														
CRISIL	Non-convertible debentures	CRISIL AA	January 03, 2019 and further revalidated by letter dated July 30, 2019	₹ 2,000 crore	Stable														
<b>Pay-in date</b>	Application Date. The entire Application Amount is payable on Application.																		
<b>Application money</b>	The entire application amount is payable on submitting the Application.																		
<b>Record Date</b>	The Record Date for payment of interest in connection with the Secured NCDs or repayment of principal in connection therewith shall be 15 days prior to the date of payment of interest, and/or the Redemption Date and/or exercise of Call. In case of redemption of Secured NCDs, the trading in the Secured NCDs shall remain suspended between the Record Date and the Redemption Date. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchange, will be deemed as the Record Date.																		
<b>Issue Schedule***</b>	The Issue shall be open from August 6, 2019 to September 4, 2019 with an option to close earlier and/or extend upto a period as may be determined by the NCD Public Issue Committee.																		
<b>Objects of the Issue</b>	Please refer to the section titled " <i>Objects of the Tranche II Issue</i> " on page 74 of this Tranche II Prospectus.																		
<b>Details of the utilisation of Issue proceeds</b>	Please refer to the section titled " <i>Objects of the Tranche II Issue</i> " on page 74 of this Tranche II Prospectus.																		
<b>Coupon rate, coupon payment date and redemption premium/discount</b>	Please refer to the section titled " <i>Issue Structure</i> " beginning on page 91 of this Tranche II Prospectus.																		
<b>Step up/ Step down interest rates</b>	N.A.																		

<b>Interest type</b>	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 91 of this Tranche II Prospectus.
<b>Interest reset process</b>	N.A.
<b>Tenor</b>	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 91 of this Tranche II Prospectus.
<b>Coupon payment frequency</b>	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 91 of this Tranche II Prospectus.
<b>Redemption date</b>	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 91 of this Tranche II Prospectus.
<b>Redemption Amount</b>	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 91 of this Tranche II Prospectus.
<b>Day count convention</b>	Actual/Actual
<b>Working Days convention/Day count convention / Effect of holidays on payment</b>	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche II Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.
	Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the Secured NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.
	If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.
	If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the Secured NCDs until but excluding the date of such payment. The interest payments shall be made only on the subsequent day when the money market is functioning in Mumbai.
<b>Tranche II Issue Opening Date</b>	August 6, 2019
<b>Tranche II Issue Closing Date</b>	September 4, 2019
<b>Default interest rate</b>	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.
<b>Put Date / Price / notification time</b>	N.A.
<b>Call Date / Price / Notification Time / Deemed Date of Allotment</b>	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 91 of this Tranche II Prospectus.
	The date on which the Allotment Committee of the Board approves the Allotment of the Secured NCDs for the Tranche II Issue or such date as may be determined by the Board of Directors or the NCD Public Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of Secured NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the Secured NCDs including interest on Secured NCDs shall be available to the Debenture holders from the Deemed Date of Allotment.
<b>Transaction documents</b>	Issue Agreement dated January 24, 2019 between our Company and the Lead Managers, and further amended by amendment agreement dated July 30, 2019, the Registrar Agreement dated January 24, 2019 with the Registrar to the Issue, the Public Issue Account Agreement dated July 30, 2019 executed with the Public Issue Account Bank, the Refund Bank, the Lead Managers and the Registrar to the Issue, the Lead Broker Agreement dated July 30, 2019 executed with the Lead Brokers and Lead Managers, the Debenture Trust Agreement dated January 24, 2019 executed between our Company and the Debenture Trustee and the Debenture Trust Deed dated May 20, 2019 executed between our Company and the Debenture Trustee for creating the security over the Secured NCDs issued under the Issue and to protect the interest of Secured NCD Holders under the Issue.
<b>Conditions precedent and subsequent to the</b>	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent and subsequent to disbursement. For further details, please refer to “ <i>Objects of the</i>

<b>Issue</b>	<i>Tranche II Issue – Utilisation of Issue Proceeds</i> ” on page 76 of this Tranche II Prospectus.
<b>Events of default</b>	Please refer to the section titled " <i>Issue Structure</i> " on page 91 of this Tranche II Prospectus.
<b>Cross Default</b>	Please refer to the section titled " <i>Issue Structure</i> " on page 91 of this Tranche II Prospectus.
<b>Roles and responsibilities of the Debenture Trustee</b>	Please refer to the section titled " <i>Terms of the Issue – Trustees for the Secured NCD Holders</i> ” on page 108 of this Tranche II Prospectus.
<b>Governing law and jurisdiction</b>	This Tranche II Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

*\*\*In terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the Secured NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation, if the Secured NCDs were originally issued in dematerialised form.*

*\*\*In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with Regulation 23(3) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, JMFL will be involved only in marketing of the Issue.*

*\*\*\*The subscription list shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. (Indian Standard Time), during the period indicated in the relevant Tranche Prospectus, except that the Tranche II Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors in all those newspapers in which an advertisement for opening or closure of this Tranche II Issue has been given on or before such earlier or initial date of Tranche II Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

Please refer to page 311 for details pertaining to the cash flows of the Company in accordance with the SEBI circulars bearing numbers CIR/IMD/DF/18/2013 dated October 29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016.

## Nature of the Secured NCDs

We are offering Secured NCDs which shall have a fixed rate of interest. The Secured NCDs will be issued at a face value of ₹ 1,000 per NCD. Interest on the Secured NCDs shall be payable in the manner, as set out hereinafter. The terms of the Secured NCDs offered pursuant to the Tranche II Issue are as follows:

Terms and conditions in connection with Secured NCDs <sup>****</sup> Series	I	II	III	IV	V
Frequency of Interest Payment	Annual	Cumulative	Annual	Monthly	Cumulative
Who can apply	All category of investors can subscribe to all Series of NCDs				
Minimum Application	₹ 10,000 (10 NCDs)	₹ 10,000 (10 NCDs)	₹ 10,000 (10 NCDs)	₹ 10,000 (10 NCDs)	₹ 10,000 (10 NCDs)
In multiples of thereafter	₹ 1,000 (1 NCD)	₹ 1,000 (1 NCD)	₹ 1,000 (1 NCD)	₹ 1,000 (1 NCD)	₹ 1,000 (1 NCD)
Face Value of Secured NCDs (₹ / NCD)	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Issue Price (₹ / NCD)	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Tenor from Deemed Date of Allotment	38 months	38 months	60 months	60 months	84 months
Coupon Rate (% per annum)	10.20%	N.A.	10.30%	9.85%	N.A.
Effective Yield (Per annum)	10.21%	10.20%	10.29%	10.30%	10.40%
Mode of Interest Payment	Through various options available				
Redemption Amount (₹ / NCD) <sup>****</sup>	₹ 1,000	₹ 1,360.54	₹ 1,000	₹ 1,000	₹ 2,000/-
Maturity Date (From Deemed Date of Allotment)	38 months	38 months	60 months	60 months	84 months
Nature of indebtedness	Secured rated listed non-convertible debentures				
Put	N.A.	N.A.	N.A.	N.A.	N.A.
Call (anytime after the months to expire from the Deemed Date of Allotment)	N.A.	N.A.	36 months	36 months	N.A.

<sup>\*\*\*\*</sup> Our Company shall allocate and allot Series V Secured NCDs wherein the Applicants have not indicated their choice of the relevant Secured NCD Series. If the Deemed Date of Allotment undergoes a change, the coupon payment dates, Redemption Dates, Redemption Amounts and other cash flow workings shall be changed accordingly. In case our Company exercises the Call, Redemption Amount for Series III and IV shall be changed suitably.

Note : Call may be applicable in Series III and IV anytime after 36 months from Deemed Date of Allotment.

## Eligibility to receive additional incentive

The initial Allottees being Resident Indian Individuals forming part of Category III (High Net-worth Individual Investors other than Hindu Undivided Families) and Category IV (Retail Individual Investors other than Hindu Undivided Families) in the Tranche II Issue who are Senior Citizens (above 60 years of age) on the Deemed Date of Allotment shall be eligible for an additional incentive of 0.10% p.a. provided that, the NCDs issued under the proposed Tranche II Issue are continued to be held by such investors on the relevant Record Date for the relevant Coupon / Interest Payment Date for the relevant Series.

Accordingly, the amount payable on redemption of Secured NCDs issued under Series II and Series V Secured NCDs to such Senior Citizens is INR 1,364.45 and INR 2,012.70 per NCD respectively.

To clarify, additional Coupon/Interest will be paid either on the NCDs allotted on the Deemed Date of Allotment or held on the Record Date, whichever is lower, and will not be paid for the NCDs bought/acquired by the NCD Holders through secondary market/open market.

The procedure with respect to identification of such investors eligible to receive the incentive payment and payment of the incentive is set out in the section titled "*Issue Structure—Incentive Payment*" on page 99 of this Tranche II Prospectus.

## Interest and Payment of Interest

For avoidance of doubt, with respect to Series IV NCDs where interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last date of every month during the tenor of such Secured NCDs and paid on the first day of every subsequent month. For the first interest payment for Secured NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month following that subsequent month.

With respect to Series I and Series III where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the Secured NCDs. The last interest payment under annual options will be made at the time of redemption of the Secured NCDs.

### A. Interest

In case of Series I Secured NCDs, interest would be paid on an annual basis at 10.20% to all categories of investors. Series I Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 38 months from the Deemed Date of Allotment.

In case of Series II Secured NCDs, they shall be redeemed at the end of 38 months from the Deemed Date of Allotment as mentioned below.

Category of NCD Holder	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
All Category of Investor	1,000	1,360.54

In case of Series III Secured NCDs, interest would be paid on an annual basis at 10.30% to all categories of investors. Series III Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment, in case Call is not exercised by our Company.

In case of Series IV Secured NCDs, interest would be paid on a monthly basis at 9.85% to all categories of investors. Series IV Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment, in case Call is not exercised by our Company.

In case of Series V Secured NCDs, they shall be redeemed at the end of 84 months from the Deemed Date of Allotment at the following amount as on the Record Date.

Category of NCD Holder	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
All Category of Investor	1,000	2,000

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest payments shall be made only on the subsequent day when the money market is functioning in Mumbai.

*Please note that in case the Secured NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche II Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such Secured NCDs or the deceased holder of Secured NCDs, as the case may be, shall be entitled to any interest which may have accrued on the Secured NCDs subject to such Transferee holding the Secured NCDs on the Record Date.*

## **B. Incentive Payment**

The initial Allottees being Resident Indian Individuals forming part of Category III (High Net-worth Individual Investors other than Hindu Undivided Families) and Category IV (Retail Individual Investors other than Hindu Undivided Families) in the Tranche II Issue who are Senior Citizens (above 60 years of age) on the Deemed Date of Allotment shall be eligible for an additional incentive of 0.10% p.a. provided that, the NCDs issued under the proposed Tranche II Issue are continued to be held by such investors on the relevant Record Date for the relevant Coupon / Interest Payment Date for the relevant Series.

Accordingly, the amount payable on redemption of Secured NCDs issued under Series II and Series V Secured NCDs to such Senior Citizens is INR 1,364.45 and INR 2,012.70 per NCD respectively.

To clarify, additional Coupon/Interest will be paid either on the NCDs allotted on the Deemed Date of Allotment or held on the Record Date, whichever is lower, and will not be paid for the NCDs bought/acquired by the NCD Holders through secondary market/open market.

Identification of the above NCD Holders would be conducted by way of their DP identification and/or PAN and/or entries made in the Register of NCD Holders. On any relevant Record Date, the Registrar and the Company shall determine the list of NCD Holder(s) entitled to receive the incentive payment based on their DP identification and /or PAN and/or entries in the Register of NCD Holders and a comparison of such records with the list of Allottees as on the Deemed Date of Allotment and make the requisite payment of additional incentive.

### Requirement of the PAN Card

In order to avail the additional incentives, Senior Citizen Applicants should provide copy of their PAN card by quoting their Application number, Demat Account Number to the Registrar either through email / post / courier as per the details given below:

Karvy Fintech Private Limited (*formerly known as KCPL Advisory Services Private Limited*)  
Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032

Tel: (+91 40) 6716 2222

Fax: (+91 40) 2343 1551

Email: [jmfpl.ncd1@karvy.com](mailto:jmfpl.ncd1@karvy.com)

Contact Person: Mr. Murali Krishna

## **C. Taxation**

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

However, in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor (individual or HUF), if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of Secured NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the Secured NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar quoting the name of the sole/ first Secured NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original for each financial year during the currency of the NCD to ensure non-deduction or lower deduction

of tax at source from interest on the NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

### **Put**

There is no option to put available to Secured NCD Holders.

### **Call**

For Series III and IV Secured NCDs, our Company may exercise a Call, subject to applicable laws and fulfilment of the following conditions;

- i) Series III and IV Secured NCDs have completed atleast 36 months from the Deemed Date of Allotment;
- ii) Our Company having sent a notice to all the eligible Secured NCD Holders as on the Record Date of the Series III and IV Secured NCDs, on any day after the Record Date and at least 15 days before the date on which the Call is exercised; and
- iii) A copy of aforementioned notice having been sent to the Stock Exchanges for wider dissemination and our Company having, in addition, made an advertisement in the national daily having wide circulation indicating the details of the Call being exercised, including the Record Date.

Record Date for the purpose of exercise of the Call shall be any date after the expiry of 36 months from the Deemed Date of Allotment as may be decided by the Company at its sole discretion. There shall be no trading in Series III and IV Secured NCDs from the Record Date till the date of exercise of Call. The Redemption Date in such case shall be the date of exercise of Call.

Business day convention shall apply to such Redemption Date. The Call price for Series III and IV shall be Face Value per Secured NCD plus the effective yield at 10.29% p.a. and 10.30% p.a. computed from the Deemed Date of Allotment upto one day prior to the date of exercise of the Call. In case there is a delay in payment of redemption proceeds on the Redemption Date as mentioned above, our Company shall be liable to pay interest at the rate of 15% per annum for the period of delay, if any.

#### *Illustrative example:*

In the event the deemed date of allotment is April 30, 2019 and subject to compliance with applicable laws, the earliest Record Date for the purpose of identification of eligible Series III and IV Secured NCD Holders could be April 30, 2022. Our Company shall intimate the Stock Exchanges prior to the Record Date the details of the Record Date fixed for identification of eligible Series III and IV Secured NCD Holders. Once, the eligible Series III and IV Secured NCD Holders have been identified, our Company shall issue a notice of not less than 15 days intimating them of the date of exercise of Call.

### **Payment of Interest**

For Secured NCDs subscribed under Series I and Series III, the relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the Secured NCD and the last interest payment under annual Series will be made at the time of redemption of the Secured NCDs. For Secured NCDs subscribed under Series IV interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last date of every month during the tenor of such Secured NCDs, and paid on the first day of every subsequent month. For the first interest payment for Secured NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month. For Secured NCDs subscribed under Series II and Series V, such Secured NCDs shall be redeemed at the end of 38 months and 84 months respectively from the Deemed Date of Allotment.

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest payments shall be made only on the subsequent day when the money market is functioning in Mumbai.

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

### **Mode of payment of Interest to Secured NCD Holders**

Payment of interest will be made to (i) in case of Secured NCDs in dematerialised form the persons who for the time being appear in the register of beneficial owners of the Secured NCDs as per the Depositories as on the Record Date and (ii) in case of Secured NCDs in physical form, the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Secured NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to Secured NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details see the section titled "*Issue Structure - Manner of Payment of Interest / Refund / Redemption*" beginning at page 102 of this Tranche II Prospectus.

### **Maturity and Redemption**

For Secured NCDs subscribed under Series I, Series II, Series III, Series IV, Series V, Series VI the relevant interest will be paid in the manner set out in "*Issue Structure - Payment of Interest*" at page 100. The last interest payment will be made at the time of redemption of the Secured NCD.

<b>Series</b>	<b>Maturity period/Redemption (as applicable)</b>
I	38 months from the Deemed Date of Allotment
II	38 months from the Deemed Date of Allotment
III*	60 months from the Deemed Date of Allotment
IV*	60 months from the Deemed Date of Allotment
V	84 months from the Deemed Date of Allotment

\* *In case Call is not exercised by our Company. For details in relation to Call, please refer to see "Call" on page 100 of this Tranche II Prospectus.*

Series II and Series V Secured NCDs shall be redeemed at ₹ 1,360.54 and ₹ 2,000 per NCD respectively for all categories of Investors at the end of 38 and 84 months respectively from the Deemed Date of Allotment.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest payments shall be made only on the subsequent day when the money market is functioning in Mumbai.

### **Deemed Date of Allotment**

The date on which the Allotment Committee of the Board approves the Allotment of the NCDs for each Tranche II Issue or such date as may be determined by the Board of Directors or the NCD Public Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as

specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.

### **Application Size**

Each application should be for a minimum of 10 Secured NCDs and multiples of 1 Secured NCD thereafter (for all Series of Secured NCDs, namely Series I, Series II, Series III, Series IV, Series V, Series VI either taken individually or collectively). The minimum application size for each application for Secured NCDs would be ₹ 10,000 and in multiples of ₹ 1,000 thereafter.

**Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Secured NCDs that can be held by them under applicable statutory and or regulatory provisions.**

### **Terms of Payment**

The entire issue price per NCD, as specified in the Tranche II Prospectus, is blocked in the ASBA Account on application itself. In case of Allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall unblock the excess amount paid on application to the applicant in accordance with the terms of this Tranche II Prospectus.

### **Manner of Payment of Interest / Refund / Redemption\***

The manner of payment of interest / refund / redemption in connection with the Secured NCDs is set out below\*:

#### ***For Secured NCDs held in electronic form***

The bank details will be obtained from the Depositories for payment of interest / refund / redemption as the case may be. Applicants who have applied for or are holding the Secured NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and neither the Lead Managers our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same. The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

#### ***For Secured NCDs held in physical form on account of rematerialization***

The bank details will be obtained from the Registrar to the Issue for payment of interest / redemption as the case may be. Please see the procedure for "Procedure for Rematerialisation of NCDs" starting at page 90 of this Tranche II Prospectus.

*\*In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.50, then the amount shall be rounded off to ₹1,838.*

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

#### **1. Direct Credit**

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker. Interest / redemption Amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

#### **2. NACH**

National Automated Clearing House which is a consolidated system of ECS. Payment of interest / refund / redemption would be done through NACH for Applicants having an account at one of the centres specified by the

RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of interest / refund / redemption through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the interest / refund / redemption through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

### 3. **RTGS**

Applicants having a bank account with a participating bank and whose interest payment / refund / redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment / refund. redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment / refund / redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

### 4. **NEFT**

Payment of interest / refund / redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of interest / refund / redemption amounts, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest / refund / redemption amounts will be made to the applicants through this method.

### 5. **Registered Post/Speed Post**

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund amounts / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of Secured NCDs, for any delay in receiving credit of interest / redemption so long as our Company has initiated the process of such request in time.

### **Printing of Bank Particulars on Interest Warrants**

As a matter of precaution against possible fraudulent encashment of interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the warrants. In relation to Secured NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of Secured NCDs held in physical form either on account of rematerialisation or transfer, the Secured NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the warrants will be dispatched to the postal address of the Secured NCD Holders as available in the records of our Company either through speed post or registered post.

Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

### **Loan against Secured NCDs**

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. However, if the RBI subsequently permits the extension

of loans by NBFCs against the security of its debentures issued by way of private placement or public issues, the Company may consider granting loans against the security of such Secured NCDs, subject to terms and conditions as may be decided by the Company at the relevant time, in compliance with applicable law.

### **Buy Back of Secured NCDs**

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the Secured NCDs, upon such terms and conditions as may be decided by our Company.

### **Form and Denomination**

In case of Secured NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the Secured NCD Holder for the aggregate amount of the Secured NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of Secured NCD certificates in denomination of one NCD ("**Market Lot**"). In case of Secured NCDs held under different Series, by a Secured NCD Holder, separate Consolidated Certificates will be issued to the Secured NCD Holder for the aggregate amount of the Secured NCDs held under each Series.

It is however distinctly to be understood that the Secured NCDs pursuant to this Tranche II Issue shall be traded only in demat form.

In respect of Consolidated Certificates, we will, only upon receipt of a request from the Secured NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the Secured NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

### **Procedure for Redemption by Secured NCD holders**

The procedure for redemption is set out below:

#### ***Secured NCDs held in physical form on account of rematerialisation:***

No action would ordinarily be required on the part of the Secured NCD Holder at the time of redemption and the redemption proceeds would be paid to those Secured NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption and in case of exercise of Call. The payment on redemption of the Secured NCDs will be made by way of cheque/pay order/ electronic modes. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. Secured NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment. However, in case of the exercise of Call, the Company will not exercise its right to require that the NCD certificates be duly discharged or surrender by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates).

We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the Secured NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of Secured NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those Secured NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of Secured NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see the para "*Payment on Redemption*" given below.

#### ***Secured NCDs held in electronic form:***

No action is required on the part of Secured NCD holder(s) at the time of redemption of Secured NCDs.

### **Payment on Redemption**

The manner of payment of redemption is set out below\*.

### ***Secured NCDs held in physical form on account of rematerialization***

The payment on redemption of the Secured NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Despatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or within a period of 30 days from the date of receipt of the duly discharged NCD certificate. However, in case of the exercise of Call, the Company will not exercise its right to require that the NCD certificates be duly discharged or surrender by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates).

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those Secured NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption or for the purpose of exercise of Call of Series III and IV. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to Secured NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the Secured NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Secured NCDs.

### ***Secured NCDs held in electronic form***

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those Secured NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption or for the purpose of exercise of Call of Series III and IV. These Secured NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the Secured NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of Secured NCD Holders.

Our liability to Secured NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the Secured NCD Holders.

Our Company undertakes to pay the redemption proceeds to the investors along with the interest due to the investors within fifteen days from date of exercise of Call, subject to compliance with applicable law. Business day convention shall apply to such Redemption Date. In case there is a delay in payment of redemption proceeds on such Redemption Date our Company shall be liable to pay interest at the rate of 15% per annum for the period of delay, if any.

\* In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.5, then the amount shall be rounded off to ₹ 1,838.

### **Right to reissue Secured NCD(s)**

Subject to the provisions of the the Companies Act, 2013, where we have fully redeemed or repurchased any Secured NCDs, we shall have and shall be deemed always to have had the right to keep such Secured NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such Secured NCDs either by reselling or re-issuing the same Secured NCDs or by issuing other Secured NCDs in their place. The aforementioned right includes the right to reissue original Secured NCDs, subject to applicable regulations.

## **Transfer/Transmission of Secured NCD(s)**

### ***For Secured NCDs held in physical form on account of rematerialization***

The Secured NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act/ the Companies Act, 2013 applicable as on the date of this Tranche II Prospectus and all other applicable laws including FEMA and the rules and regulations thereunder. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles, the Companies Act/the relevant provisions of the Companies Act, 2013 applicable as on the date of this Tranche II Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, *mutatis mutandis* (to the extent applicable to debentures) to the Secured NCDs as well. In respect of the Secured NCDs held in physical form, a common form of transfer shall be used for the same. The Secured NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed at prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

### ***For Secured NCDs held in electronic form***

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the Secured NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the Secured NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these Secured NCDs can be transferred in the manner as stated above for transfer of Secured NCDs held in physical form.

In case the recipient of the Secured NCDs in physical form wants to hold the Secured NCDs in dematerialized form, he can choose to dematerialize the securities through his DP.

Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

## **Title**

In case of:

- Secured NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depository; and
- the Secured NCDs held in physical form, pursuant to rematerialisation, the person for the time being appearing in the register of Secured NCD Holders shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificates issued in respect of the Secured NCDs and no person will be liable for so treating the Secured NCD holder.

No transfer of title of a Secured NCD will be valid unless and until entered on the register of Secured NCD holders or the register of beneficial owners maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the Secured NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the Secured NCDs will need to be settled with the seller of the Secured NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the provisions of the Companies Act, 2013 shall apply, *mutatis mutandis* (to the extent applicable) to the Secured NCD(s) as well.

## **Common form of transfer**

The Issuer undertakes that there shall be a common form of transfer for the Secured NCDs and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

## **Joint-holders**

Where two or more persons are holders of any Secured NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

## **Sharing of information**

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the Secured NCD Holders available with us and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

## **Notices**

All notices to the Secured NCD Holders required to be given by us or the Debenture Trustee will be sent by speed post or registered post or through email or other electronic media to the registered Secured NCD Holders from time to time.

## **Issue of Duplicate Secured NCD Certificate(s) issued in physical form**

If Secured NCD certificate(s), pursuant to rematerialisation if any, is/ are mutilated or defaced or the cages for recording transfers of Secured NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the Secured NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any Secured NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate Secured NCD certificates shall be issued. Upon issuance of a duplicate Secured NCD certificate, the original Secured NCD certificate shall stand cancelled.

## **Security**

The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, and with all existing encumbrances and future financial indebtedness of the Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first ranking pari passu charge in favour of the Debenture Trustee on present and/or future receivables/assets of our Company, excluding therefrom such portion of the receivables secured or to be secured for the purposes of maintaining 'security cover' (by whatever name called) in connection with all other indebtedness of the Company, whether by way of loan or debentures or otherwise, under the terms of such other indebtedness which are / will not be offered to other lenders for their credit facilities; and/or first ranking pari passu charge on the Company's identified immovable property. Security for the purpose of this Issue is created in accordance with the terms of the Debenture Trust Deed to ensure 100% security cover of the amount outstanding in respect of Secured NCDs, including interest due thereon, at any time.

Our Company has entered into an agreement with the Debenture Trustee, ('**Debenture Trustee Agreement**'), the terms of which govern the appointment of the Debenture Trustee and the issue of the Secured NCDs. Our Company will utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Designated Stock Exchange.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Secured NCD Holders the principal amount on the Secured NCDs on the relevant redemption date and also that it will pay the interest due on Secured NCDs on the rate specified in this Tranche II Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed also provides that our Company in consultation with the Debenture Trustee may withdraw any portion of the security and replace with another asset of the same or a higher value.

### **Trustees for the Secured NCD holders**

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustees for the Secured and Unsecured NCD Holders. The Debenture Trustee and the Company will execute the Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The Secured and Unsecured NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Secured and Unsecured NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Secured NCD Holders. Any payment made by us to the Debenture Trustee on behalf of the Secured and Unsecured NCD Holders shall discharge us pro tanto to the Secured and Unsecured NCD Holders.

The Debenture Trustee will protect the interest of the Secured NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

### **Events of Default:**

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the Secured NCDs or with the sanction of a special resolution, passed at a meeting of the Secured NCD Holders, give notice to our Company specifying that the Secured NCDs and/or any particular series of Secured NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences are specified in the Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the Secured NCDs on the due date(s); and
- (ii) default is committed in payment of any interest on the Secured NCDs on the due date(s).

### **Lien**

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the Secured NCD Holders or deposits held in the account of the Secured NCD Holders, whether in single name or joint name, to the extent of all outstanding dues by the Secured NCD Holders to the Company, subject to applicable law.

### **Lien on pledge of Secured NCDs**

The Company may, at its discretion note a lien on pledge of Secured NCDs if such pledge of Secured NCD is accepted by any third party bank/institution or any other person for any loan provided to the Secured NCD Holder against pledge of such Secured NCDs as part of the funding, subject to applicable law.

### **Future Borrowings**

We shall be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds subject to applicable consents, approvals or permissions that may be required under any statutory / regulatory / contractual requirement, from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the prior written consent of the Debenture Trustee for the creation of such charge or encumbrance, provided the stipulated security cover is maintained. Further, our Company shall provide the Debenture Trustee a written intimation of the proposal to avail such future borrowing at least 3 (three) Working Days prior to the date on which such future borrowing is availed.

### **Illustration for guidance in respect of the day count convention and effect of holidays on payments.**

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 is disclosed in page 311.

## ISSUE PROCEDURE

*This section applies to all Applicants. Please note that all Applicants are required to ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. An amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.*

*Applicants should note that they may submit their Applications to the Designated Intermediaries.*

*Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Secured NCDs that can be held by them under applicable law or as specified in this Tranche II Prospectus.*

*Please note that this section has been prepared based on the circular no. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 (“Debt Application Circular”) issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI (“Debt ASBA Circular”). The procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by Stock Exchanges and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Tranche II Issue.*

**PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS TRANCHE II ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS TRANCHE II PROSPECTUS, THE TRANCHE II ISSUE OPENING DATE AND THE TRANCHE II ISSUE CLOSING DATE.**

**THE MEMBERS OF THE SYNDICATE AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.**

**Please note that for the purposes of this section, the term “Working Day” shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche II Issue Closing Date to listing of the Secured NCDs, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India.**

### **Who can apply?**

The following categories of persons are eligible to apply in the Tranche II Issue.

### Category I

- Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDA;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

### Category II

- Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including Public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons

### Category III

- High Net-worth Individual Investors ("HNIs") - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above INR 1,000,000 across all Series of NCDs in the Issue

### Category IV

- Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including INR 1,000,000 across all Series of NCDs in the Issue.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

All categories of persons who are individuals or natural persons (including Hindu Undivided Families acting through their Karta) including without limitation HNIs and Retail Individual Investors who are eligible under applicable laws to hold the NCDs are collectively referred to as "Individuals". All categories of entities, associations, organizations, societies, trusts, funds, partnership firms, Limited Liability Partnerships, bodies corporate, statutory and/or regulatory bodies and authorities and other forms of legal entities who are NOT individuals or natural persons and are eligible under applicable laws to hold the Secured NCDs including without limitation Institutional Investors and Non Institutional Investors are collectively referred to as "Non Individuals".

**Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of Secured NCDs pursuant to the Tranche II Issue.**

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Tranche II Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche II Prospectus.

### **How to apply?**

#### **Availability of the Shelf Prospectus, the Tranche II Prospectus, Abridged Prospectus and Application Forms**

**Please note that there is a single Application Form for all Applicants.**

Copies of the abridged Prospectus containing the salient features of the Shelf Prospectus together with Application Forms cum Abridged Prospectus and copies of this Tranche II Prospectus may be obtained from our Registered Office, the Lead Managers, the Registrar, the Lead Brokers and the Designated Branches of the SCSBs. Additionally, the Shelf Prospectus, the Tranche II Prospectus and the Application Forms will be available

- (i) for download on the website of BSE at [www.bseindia.com](http://www.bseindia.com), and the website of the Lead Managers at [www.akgroup.co.in](http://www.akgroup.co.in), [www.jmfl.com](http://www.jmfl.com) and [www.trustgroup.in](http://www.trustgroup.in).
- (ii) at the designated branches of the SCSB and the Designated Intermediaries at the Syndicate ASBA Application Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchange. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Managers and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request.

### **Method of Application**

An eligible investor desirous of applying in this Tranche II Issue can make Applications solely through the ASBA process.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that the Applicants will not have the option to apply for Secured NCDs under this Tranche II Issue, through the direct online applications mechanism of the Stock Exchange. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Tranche II Issue.

Applicants can submit their Applications by submitting the Application Forms in physical mode to the SCSB with whom the ASBA Account is maintained or through the Designated Intermediaries prior to or on the Tranche II Issue Closing Date. **Applications through the Designated Intermediaries are permitted only at the Syndicate ASBA Application Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat).** Kindly note that Application Forms submitted by Applicants to the Designated Intermediaries at the Syndicate ASBA Application Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit the Application Form (A list of such branches is available at <http://www.sebi.gov.in>). The Designated Intermediaries shall accept Applications only at the

Syndicate ASBA Application Locations and should ensure that they verify the details about the ASBA Account and relevant SCSB prior to accepting the Application Form.

Designated Intermediaries shall, upon receipt of physical Application Forms, upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained in accordance with the Debt Application Circular.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to the Designated Intermediaries at the Syndicate ASBA Application Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs and Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Tranche II Issue should be made by Applicants directly to the Stock Exchange.

Designated Intermediaries are also required to ensure that the Applicants are competent to contract under the Indian Contract Act, 1872 including minors applying through guardians, at the time of acceptance of the Application Forms.

### **Application Size**

Each application should be for a minimum of 10 Secured NCDs and multiples of 1 Secured NCD thereafter (for all Series of Secured NCDs, namely Series I, Series II, Series III, Series IV, Series V, Series VI either taken individually or collectively). The minimum application size for each application for Secured NCDs would be ₹ 10,000 and in multiples of ₹ 1,000 thereafter.

## **APPLICATIONS BY VARIOUS APPLICANT CATEGORIES**

### **Applications by Mutual Funds**

Pursuant to a recent SEBI circular SEBI/HO/IMD/DF2/CIR/P/2017/14 dated February 22, 2017 (“**SEBI Circular 2017**”), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 15% of net assets value of scheme shall be allowed only by way of increase exposure to HFCs. Further, the group level limits for debt schemes and the ceiling be fixed at 20.0% of net assets value extendable to 25.0% of net assets value after trustee approval.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the Secured NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the Secured NCDs in whole or in part, in either case, without assigning any reason therefor.

### **Application by Scheduled Commercial Banks, Co-operative Banks and RRBs**

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised

signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

**Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.**

#### **Application by Non-banking financial companies**

Non-banking financial companies can apply in this Tranche II Issue based upon their own investment limits and approvals. Applications by them for Allotment of the Secured NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) specimen signatures of authorised signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the Secured NCDs in whole or in part, in either case, without assigning any reason therefor.

#### **Application by Insurance Companies**

In case of Applications for Allotment of the NCDs made by an insurance company, a certified copy of its certificate of registration issued by IRDA must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) its Memorandum and Articles of Association; (ii) a power of attorney (iii) a resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

#### **Applications by Alternative Investments Funds**

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the Secured NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

**Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment**

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Tranche II Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by Trusts**

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more

trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for Secured NCDs pursuant to this Tranche II Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of Secured NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the Secured NCDs**

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications made by companies, bodies corporate and societies registered under the applicable laws in India**

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Indian scientific and/ or industrial research organizations, which are authorized to invest in the Secured NCDs**

Applications by scientific and/ or industrial research organisations which are authorised to invest in the Secured NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Secured NCDs in whole or in part, in either case, without assigning any reason therefor.

#### **Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008**

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Secured NCDs in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications under a power of attorney by limited companies, corporate bodies and registered societies**

In case of Applications made pursuant to a power of attorney by Applicants from Category I, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

In case of Applications made pursuant to a power of attorney by Applicants from Category II and Category III, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. **Failing this, our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.**

**Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.**

**Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the Secured NCDs**

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the Secured NCDs, for Allotment of the Secured NCDs must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Secured NCDs in whole or in part, in either case, without assigning any reason therefor.**

**Applications by National Investment Funds set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;**

Application made by a National Invest Fund for Allotment of the Secured NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Secured NCDs in whole or in part, in either case, without assigning any reason therefor.**

**Applications cannot be made by:**

- (a) Minors without a guardian name\* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);
- (b) Foreign nationals;
- (c) Persons resident outside India;
- (d) Foreign Institutional Investors/Foreign Portfolio Investors;
- (e) Non Resident Indians *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- (f) Qualified Foreign Investors;
- (g) Overseas Corporate Bodies;
- (h) Foreign Venture Capital Funds;
- (i) Persons ineligible to contract under applicable statutory/ regulatory requirements.

*\*Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

*The Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Designated Intermediaries.*

**Payment instructions**

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of intimation from the Registrar to this Tranche II Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the Tranche II Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until

withdrawal/ failure of the Tranche II Issue or until rejection of the Application, as the case may be.

### **Additional information for Applicants**

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted through the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediary or the relevant Designated Branch, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of Secured NCDs only in dematerialized form.

### **Filing of the Tranche II Prospectus with ROC**

A copy of the Tranche II Prospectus shall be filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

### **Pre-Issue Advertisement**

Our Company will issue a statutory advertisement on or before the Tranche II Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI Debt Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of this Tranche II Prospectus with the ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

### **Instructions for completing the Application Form**

- (a) Applications must be made in the prescribed Application Form.
- (b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Shelf Prospectus, the Tranche II Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.
- (c) Applications are required to be for a minimum of such Secured NCDs and in multiples of one Secured NCD thereafter as specified in this Tranche II Prospectus.
- (d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- (e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.
- (f) Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by SCSBs or Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the Secured NCDs.

- (g) If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- (h) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.
- (i) Applications for all the Series of the Secured NCDs may be made in a single Application Form only.
- (j) Applicants must ensure that their Application Forms are made in a single or joint names (not more than three).

**Applicants should note that neither the Lead Managers, Designated Intermediaries, nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot Series V Secured NCDs, as specified in this Tranche II Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of Secured NCDs.**

#### **Applicants' PAN, Depository Account and Bank Account Details**

**ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE SECURED NCDs SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.**

On the basis of the DP ID, Client ID and PAN provided by them in the Application Form, the Registrar will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds to Applicants or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Designated Intermediaries, nor the Registrar, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Designated Intermediaries or the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, and the Designated Intermediaries shall not be liable for losses, if any.

The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar except in relation to the Tranche II Issue.

By signing the Application Form, Applicants applying for the Secured NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar that the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of Secured NCDs pursuant to the Tranche II Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the

Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Applications are liable to be rejected.

### **Electronic registration of Applications**

- (a) The Designated Intermediaries will register the Applications using the on-line facilities of Stock Exchange. The Lead Managers, our Company, and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs and Designated Intermediaries, (ii) the Applications uploaded by the SCSBs and the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the SCSBs or the Designated Intermediaries, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) with respect to Applications accepted and uploaded by Designated Intermediaries at the Syndicate ASBA Application Locations for which the Application Amounts are not blocked by the SCSBs.
- (b) The Stock Exchange will offer an electronic facility for registering Applications for the Tranche II Issue. This facility will be available on the terminals of the Designated Intermediaries and the SCSBs during the Issue Period. On the Tranche II Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
- (c) At the time of registering each Application, SCSBs and Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Series of Secured NCDs applied, Application Amounts, and any other details that may be prescribed by the online uploading platform of the Stock Exchange.
- (d) A system generated TRS will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the TRS from the SCSBs or Designated Intermediaries, as the case may be. The registration of the Applications by the SCSBs or Designated Intermediaries does not guarantee that the Secured NCDs shall be allocated/ Allotted by our Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (e) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Tranche II Prospectus; nor does it warrant that the Secured NCDs will be listed or will continue to be listed on the Stock Exchange.
- (f) In case of apparent data entry error by the Designated Intermediaries in entering the Application Form number in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.
- (g) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Tranche II Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

- (h) the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the Application Form during the Issue Period.

## **General Instructions**

### ***Do's***

- **Check if you are eligible to apply as per the terms of the Draft Shelf Prospectus, the Shelf Prospectus, the Tranche II Prospectus and applicable law;**
- **Read all the instructions carefully and complete the Application Form;**
- Ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;
- Applications are required to be in single or joint names (not more than three);
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;
- Ensure that Applications are submitted to the Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Tranche II Issue Closing Date;
- Information provided by the Applicants in the Application Form will be uploaded on to the online platform of the Stock Exchange by the Designated Intermediaries and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;
- Ensure that the Applicant's names given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form;
- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
- Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to the circular dated April 3, 2008 issued by SEBI) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same.
- Ensure that the Demographic Details as provided in the Application Form are updated, true and correct in all respects;
- Ensure that you request for and receive a TRS for all your Applications and an acknowledgement as a proof of having been accepted;

- For Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Designated Intermediaries and not to the Public Issue Account Banks or Refund Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the Secured NCDs;
- Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that your Application Form bears the stamp of the relevant SCSB or Designated Intermediary to whom the Application is submitted;
- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form;
- Tick the Series of Secured NCDs in the Application Form that you wish to apply for;
- Before submitting the physical Application Form with the Designated Intermediary at the Syndicate ASBA Application Locations ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;
- Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form; and
- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form.

#### ***Don'ts***

- Do not apply for lower than the minimum Application size;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;
- Do not fill up the Application Form such that the Secured NCDs applied for exceeds the Issue Size and/or investment limit or maximum number of Secured NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
- Do not submit an Application in case you are not eligible to acquire the Secured NCDs under applicable law or your relevant constitutional documents or otherwise;
- Do not submit the Application Forms without the Application Amount;
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts;

- Do not submit the Application Form with a Designated Intermediary at a location other than the Syndicate ASBA Application Locations;
- Do not send your physical Application Form by post. Instead submit the same with a Designated Branch of the SCSB or a Designated Intermediary; and
- Do not submit more than five Application Forms per ASBA Account.

## **OTHER INSTRUCTIONS**

### **Joint Applications**

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

### **Additional/ Multiple Applications**

An Applicant is allowed to make one or more Applications for the Secured NCDs for the same or other Series of Secured NCDs, subject to a minimum Application size of ₹ 10,000 and in multiples of ₹ 1,000 thereafter (for all options of Secured NCDs, namely Series I, Series II, Series III, Series IV, Series V, Series VI either taken individually or collectively), for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be multiple Applications.

### **Depository Arrangements**

We have made depository arrangements with NSDL and CDSL for issue and holding of the Secured NCDs in dematerialised form. In this context:

- (i) Tripartite Agreements dated July 20, 2016 and July 27, 2017, between us, the Registrar and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.
- (ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- (iii) Secured NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- (iv) It may be noted that Secured NCDs in electronic form can be traded only on stock exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.
- (v) Interest or other benefits with respect to the Secured NCDs held in dematerialised form would be paid to those Secured NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those Secured NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- (vi) The trading of the Secured NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One Secured NCD only.

Allottees will have the option to rematerialise the Secured NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the Secured NCDs in dematerialised form, see the sections titled "*Issue Procedure – Method of Application*" and "*Issue Procedure – General Instructions*" at

pages 111 and 119 of this Tranche II Prospectus respectively.

## **Communications**

All future communications in connection with Applications made in this Tranche II Issue should be addressed to the Registrar quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Compliance Officer as well as the contact persons of our Company/ Lead Managers or the Registrar in case of any Pre-Issue related problems. In case of Post-Issue related problems such as credit of Secured NCDs in depository's beneficiary account, refunds etc. Applicants may contact our Compliance Officer as well as the contact persons of our Company/Lead Managers or Registrar. Please note that Applicants who have applied for the Secured NCDs through Designated Intermediaries should contact the Stock Exchange in case of any Post-Issue related problems, such as credit of Secured NCDs in depository's beneficiary account, refunds, etc.

## **Interest in case of Delay**

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

## **Rejection of Applications**

*“Issue Procedure-Applications may be rejected on one or more technical grounds”* listed on this page 122 of this Tranche II Prospectus below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

***Application may be rejected on one or more technical grounds, including but not restricted to:***

- Number of Secured NCDs applied for being less than the minimum Application size;
- Applications not being signed by the sole/joint Applicants;
- Applications submitted without payment of the Application Amount. However, our Company may allot Secured NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Application Amount paid being higher than the value of Secured NCDs Applied for. However, our Company may allot Secured NCDs up to the number of Secured NCDs Applied for, if the value of such Secured NCDs Applied for exceeds the minimum Application size;
- Investor Category in the Application Form not being ticked;
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form
- Applications where a registered address in India is not provided for the Applicant;
- Bank account details not provided in the Application Form;
- Submission of more than 5 (Five) Application Forms per ASBA Account;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- DP ID and Client ID not mentioned in the Application Form;
- For Applications where an authorization to the SCSB for blocking funds in the ASBA Account has not been provided;
- Applications uploaded after the expiry of the allocated time on the Tranche II Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- In case of partnership firms, Secured NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However a Limited Liability Partnership firm can apply in its own name;
- Applications submitted to the Designated Intermediaries at locations other than the Designated CDP Locations, the Designated RTA Locations, the Syndicate ASBA Application Locations or at a Designated Branch of a SCSB where the ASBA Account is not maintained;
- Applications made without mentioning the PAN of the Applicant, except for Applications by or on behalf

of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;

- GIR number mentioned in the Application Form instead of PAN;
- Application by OCBs
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India;
- All Applications where the DP ID, Client ID and PAN mentioned in the Application Form do not match with the Depository Participant ID, Client ID and PAN available in the records with the depositories;
- Applications by persons who are not eligible to acquire the Secured NCDs in terms of applicable laws, rules, regulations, guidelines and approvals;
- Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;
- Applications for an amount below the minimum Application size;
- Applications not having details of the ASBA Account to be blocked;
- Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- Applications by Applicants seeking Allotment in dematerialised form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Applications not uploaded on the terminals of the Stock Exchange;
- Applications for the allotment of Secured NCDs in dematerialized form providing an inoperative demat account number;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- The ASBA Account not having credit balance to meet the Application Amounts or no confirmation is received from the SCSB for blocking of funds;
- Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Lead Managers, or Designated Intermediaries, as the case may be;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus and this Tranche II Prospectus and as per the instructions in the Application Form, the Shelf Prospectus and this Tranche II Prospectus;
- Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- Applications tendered to the Designated Intermediaries at centers other than the centers mentioned in the Application Form; and
- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

For further instructions regarding Application for the Secured NCDs, Applicants are requested to read the Application Form.

### **Mode of Making Refunds**

The mode of refund payments may be undertaken in the following modes:

#### **1. Direct Credit**

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

## 2. **NACH**

National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

## 3. **RTGS**

Applicants having a bank account with a participating bank and whose interest payment / redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment / redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment / redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

## 4. **NEFT**

Payment of interest / redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest / redemption will be made to the applicants through this method.

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 5 (five) Working Days of the Tranche II Issue Closing Date.

Our Company and the Registrar shall credit the allotted Secured NCDs to the respective beneficiary accounts, within 5 (five) Working Days from the Tranche II Issue Closing Date.

Further,

- (a) Allotment of Secured NCDs in this Tranche II Issue shall be made within a time period of 4 (four) Working Days from the Tranche II Issue Closing Date;
- (b) Credit to dematerialised accounts will be given within one Working Day from the Deemed Date of Allotment;
- (c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund has not been effected within 5 (five) Working Days from the Tranche II Issue Closing Date, for the delay beyond 5 (five) Working Days; and
- (d) Our Company will provide adequate funds to the Registrar / relevant banks for this purpose.

### **Retention of oversubscription**

Up to the ₹ 400 crore.

## Basis of Allotment

The Registrar will aggregate the Applications, based on the Applications received through an electronic book from the Stock Exchanges and determine the valid Applications for the purpose of drawing the basis of allocation. Grouping of the Applications received will be then done in the following manner:

Grouping of Applications and allocation ratio for the purposes of the basis of allotment of NCDs:

- A. Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together, (“**Institutional Portion**”);
- B. Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together, (“**Non-Institutional Portion**”).
- C. Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together, (“**High Net Worth Individual Investors Portion**”).
- D. Applications received from Category IV Applicants: Applications received from Applicants belonging to Category IV shall be grouped together, (“**Retail Individual Investors Portion**”).

For removal of doubt, the terms "Institutional Portion", "Non-Institutional Portion", "High Net Worth Individual Investors Portion" and "Retail Individual Investors Portion" are individually referred to as “Portion” and collectively referred to as “Portions”.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be Allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche II Issue up to the Tranche II Issue Limit i.e. aggregating up to ₹ 500 crores. The aggregate value of NCDs decided to be Allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Tranche II Issue), taken together with the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the “Tranche II Issue Limit”.

### Allocation Ratio:

<b>Institutional Portion</b>	<b>Non-Institutional Portion</b>	<b>High Net Worth Individual Investors Portion</b>	<b>Retail Individual Investors Portion</b>
10%	10%	40%	40%

(a) Allotments in the first instance:

- i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 10% of Tranche II Issue Limit on first come first serve basis which would be determined on the basis of date of upload of their Applications in to the electronic platform of the Stock Exchanges. The determination of Allocation ratio of 10% of Tranche II Issue Limit for the Institutional Portion shall be done considering the aggregate subscription received in the Institutional Portion;
- ii. Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 10% of Tranche II Issue Limit on first come first serve basis which would be determined on the basis of date of upload of their Applications in to the electronic platform of the Stock Exchanges. The determination of Allocation ratio of 10% of Tranche II Issue Limit for the Non-Institutional Portion shall be done considering the aggregate subscription received in the Non-Institutional Portion;
- iii. Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 40% of Tranche II Issue Limit on first come first serve basis which would be determined on the basis of date of upload of their Applications in to the electronic platform of the Stock Exchanges. The determination of Allocation ratio of 40% of Tranche II Issue Limit for the High Net Worth Individual Investors Portion shall be done considering the aggregate subscription received in the High Net Worth Individual Investors Portion; and
- iv. Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 40% of Tranche II Issue Limit on first come first serve basis which would be determined on the basis of date of upload of their Applications in to the electronic platform of the Stock Exchanges. The determination of Allocation ratio of 40% of Tranche II Issue Limit for the Retail Individual Investors

Portion shall be done considering the aggregate subscription received in the Retail Individual Investors Portion.

As per circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of circular (No. CIR/IMD/DF-1/20/2012) dated July 27, 2012 to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application. In the event of, and on the date of oversubscription, however, allotments in public issues of debt securities is to be made on a proportionate basis.

Allotment by the Company, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis to each Portion, based on the date of upload of each Application into the Electronic Book of the Stock Exchanges, subject to the Allocation Ratio indicated at the section titled “*Issue Procedure – Basis of Allotment*” at page 125 of this Tranche II Prospectus.

(b) Allotments in case of oversubscription: In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the applicants on the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchanges, in each Portion).

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

- i. In case of an oversubscription in all Portions resulting in an oversubscription in the Tranche II Issue Limit, Allotments to the maximum permissible limit, as possible, will be made on a first-come first serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants on the date of oversubscription in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).
- ii. In case there is oversubscription in Tranche II Issue Limit, however there is under subscription in one or more Portion(s), Allotments will be made in the following order:
  - A. All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall receive full and firm allotment.
  - B. In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application in to the Electronic platform of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given to day wise Applications received in the Retail Individual Investors Portion followed by High Net worth Individual Investors Portion, next Non-Institutional Portion and lastly Institutional Portion each according to the day of upload of Applications to the Electronic Book with Stock Exchange during the Issue period. For the sake of clarity, the day on which the entire remaining undersubscribed Portion is allocated to the oversubscribed Portion(s), no allocation shall be made to any oversubscribed Portion(s) on the remaining days of the Issue Period.
- (c) Under Subscription: If there is under subscription in the overall Tranche II Issue Limit due to undersubscription in each Portion, all valid Applications received till the end of last day of the Issue Closure day shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.
- (d) Minimum Allotments of 1 Secured NCD and in multiples of 1 Secured NCD thereafter would be made in case of each valid Application to all Applicants.
- (e) **Proportionate Allotments: For each Portion(s), on the date of oversubscription:**
  - i. Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.
  - ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Tranche II Issue Limit, not all Applicants will be allotted the number of NCDs arrived

at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.

- iii. In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.
- (f) Applicant applying for more than one Series of Secured NCDs: If an Applicant has applied for more than one Series of Secured NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of Secured NCDs applied for, the Series-wise allocation of Secured NCDs to such Applicants shall be in proportion to the number of Secured NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with the Lead Manager and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the 5 (five) Series and in case such Applicant cannot be allotted all the 5 (five) Series, then the Applicant would be allotted Secured NCDs, at the discretion of the Company, the Registrar and the Lead Managers wherein the Secured NCDs with the least tenor i.e. Allotment of Secured NCDs with tenor of 38 months followed by Allotment of Secured NCDs with tenor of 60 months and Allotment of Secured NCDs with tenor of 84 months.
- (g) Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications: The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Tranche II Issue Closing Date.

All decisions pertaining to the basis of allotment of Secured NCDs pursuant to the Tranche II Issue shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchanges and in compliance with the aforementioned provisions of this Tranche II Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers.

Our Company would allot Series I Secured NCDs to all valid applications, wherein the applicants have selected only Secured NCDs, but have not indicated their choice of the relevant options of the Secured NCDs.

Applications where the Application Amount received is greater than the minimum Application Amount, and the Application Amount paid does not tally with the number of Secured NCDs applied for may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000

### **Investor Withdrawals and Pre-closure**

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closure Date.

Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the Tranche II Issue at any time prior to the Tranche II Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Tranche II Issue Closing Date. Our Company shall allot Secured NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the Tranche II Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the Secured NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Tranche II Issue Closing Date.

In the event of such early closure of the Tranche II Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche II Issue Closing Date of the Tranche Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Tranche II Issue have been given.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.

### **Revision of Applications**

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Lead Managers/ Designated Intermediaries, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Tranche II Issue Closing Date. However, in order that the data so captured is accurate, the Lead Managers, the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Tranche II Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

### **Utilisation of Application Amounts**

The sum received in respect of the Tranche II Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

### **Utilisation of the proceeds of the Tranche II Issue**

- All monies received out of this Tranche II Issue shall be credited / transferred to a separate bank account maintained with the Public Issue Account Bank as referred to in Section 40 of the Companies Act, 2013.
- The allotment letter shall be issued or application money shall be refunded in accordance with the applicable law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.
- Details of all monies unutilised out of the previous issues made by way of public offer, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.
- Details of all monies utilised out of the previous issue made by way of public offer shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized.
- Details of all unutilised monies out of this Tranche II Issue, if any, shall be disclosed and continued to be disclosed under an appropriate head in our balance sheet till the time any part of the proceeds of the Issue remains unutilized indicating the form in which such unutilised monies have been invested.

- We shall utilize the Tranche II Issue proceeds only (a) receipt of minimum subscription; (b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (c) creation of security; and (d) obtaining Listing and Trading approval as stated in this Tranche II Prospectus in the section titled “*Issue Structure*” beginning on page 91 of this Tranche II Prospectus.
- The Tranche II Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.
- The Tranche II Issue proceeds shall not be utilized for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

*“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.”*

### **Listing**

The Secured NCDs proposed to be offered in pursuance of the Shelf Prospectus and this Tranche II Prospectus, will be listed on the BSE. We have received the in-principle approval vide letter no. DCS/BM/PI-BOND/28/18-19 dated February 8, 2019 from the BSE. The application for listing of the Secured NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our Secured NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Shelf Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities are taken for listing and commencement of trading at the Stock Exchange within 6 (six) Working Days from the date of Allotment.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Series, such Secured NCDs with Series shall not be listed.

### **Guarantee/Letter of Comfort**

This Tranche II Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

### **Undertaking by the Issuer**

We undertake that:

- a) the complaints received in respect of the Tranche II Issue (except for complaints in relation to Applications submitted to the Designated Intermediaries) shall be attended to by us expeditiously and satisfactorily;
- b) we shall take necessary steps for the purpose of getting the Secured NCDs listed within the specified time i.e. 6 (six) Working Days from the Tranche II Issue Closing Date.;

- c) the funds required for dispatch of physical NCD certificates in case of a rematerialisation of NCDs by registered post/ speed post shall be made available to the Registrar by our Company;
- d) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the Secured NCDs are outstanding;
- e) we shall forward the details of utilisation of the funds raised through the Secured NCDs duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;
- f) we shall disclose the complete name and address of the Debenture Trustee in our annual report;
- g) we shall provide a compliance certificate to the Debenture Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of Secured NCDs as contained in the Shelf Prospectus and this Tranche II Prospectus; and
- h) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OTHER REGULATORY AND STATUTORY DISCLOSURES

#### Authority for the Tranche II Issue

At the meetings of the Board of Directors of our Company, held on October 24, 2018 and July 11, 2019, the Board of Directors approved the issuance to the public of Secured NCDs of face value of ₹ 1,000 each and Unsecured NCDs of face value of ₹ 1,000 each, aggregating up to ₹ 2,000 crores ("**Shelf Limit**") to the public, hereinafter called the "**Issue**". The Unsecured NCDs shall be in the nature of Subordinated Debt and shall be eligible for inclusion as Tier II Capital.

The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any tranche issue (each a "**Tranche Issue**"), and such Tranche Issue shall be decided by NCD Public Issue Committee of Board of Directors.

Further, the present borrowing is within the borrowing limits of ₹ 14,000 crores under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' vide their resolution dated October 25, 2018.

Further, the NCD Public Issue Committee of the Board of Directors has approved the Issue and the Draft Shelf Prospectus by way of resolution dated February 01, 2019 and the Shelf Prospectus by way of resolution dated April 11, 2019.

The present Tranche II Issue through this Tranche II Prospectus is of Secured NCDs with a base issue size of ₹ 100 crores, with an option to retain oversubscription up to ₹ 400 crores, aggregating up to ₹ 500 crores which is within the Shelf Limit, was approved by the NCD Public Issue Committee at its meeting dated July 31, 2019.

#### Prohibition by SEBI

Our Company, persons in control of our Company and/or our Promoter and/or our Directors have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our Promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Further, neither our Company nor our Promoter or Directors is a wilful defaulter or it is in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

#### Disclaimer Clause of SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS\*, A. K. CAPITAL SERVICES LIMITED, JM FINANCIAL LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND, HAVE CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUE IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD**

**MERCHANT BANKERS, A. K. CAPITAL SERVICES LIMITED, JM FINANCIAL LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED CONFIRMED THAT COMMENTS RECEIVED ON THE DRAFT SHELF PROSPECTUS HAVE BEEN SUITABLY ADDRESSED BEFORE FILING THE SHELF PROSPECTUS AND THE TRANCHE II PROSPECTUS AND TO THIS EFFECT, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 31, 2019 WHICH READS AS FOLLOWS:**

- 1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE TRANCHE II ISSUE OR RELATING TO THE TRANCHE II ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE TRANCHE II ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE TRANCHE II ISSUE SHALL BE GIVEN.**
- 3. WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED.**
- 4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

We confirm that no comments / complaints were received in the Draft Shelf prospectus dated February 01, 2019 filed with BSE Limited being the Designated Stock Exchange.

*\*In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with Regulation 23(3) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, JM Financial Limited will be involved only in marketing of the Issue.*

#### **Disclaimer Clause of the BSE**

**BSE Limited ("the Exchange") has given, vide its letter dated February 8, 2019 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:**

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or**
- b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or**
- c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;**

**And it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for, or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by any reason of any loss which may be suffered by such**

person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### Disclaimer Clause of the 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 ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY. IT IS DISTINCTLY UNDERSTOOD THAT THE SHELF PROSPECTUS AND THE TRANCHE II PROSPECTUS SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO BE APPROVED OR VETTED BY RBI.

#### Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of lead manager	Website
A. K. Capital Services Limited	www.akgroup.co.in
JM Financial Limited*	www.jmfl.com
Trust Investment Advisors Private Limited	www.trustgroup.in

*\*In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with Regulation 23(3) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, JMFL will be involved only in marketing of the Issue.*

#### Listing

Application will be made to the BSE simultaneously with the filing of this Tranche II Prospectus for permission to deal in and for official quotation in NCDs. If permission to deal in and for an official quotation of our NCDs is not granted by the BSE, our Company will forthwith repay, without interest, all monies received from the applications in pursuance of the Shelf Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities are taken for listing and commencement of trading at the stock exchange mentioned above within 6 (six) Working Days from the date of closure of the Tranche II Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Series, such Secured NCDs with Series shall not be listed.

#### Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

#### Arrangers

No arrangers have been appointed for this Issue.

#### Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) legal advisor to the Issue, (g) Credit Rating Agencies, (h) the Debenture Trustee; (i) lenders of the Company; (j) CRISIL as an industry expert for inclusion of the report titled "NBFC Coverage" in the Shelf Prospectus; (k) the Lead Brokers; (l) the Refund Banker; (m) the Public Issue Account Bank; and (n) Arun Arora & Co. as independent chartered accountant for inclusion of the statement of tax shelter, to act in their respective capacities, have been obtained and the same will be filed along with a copy of the Shelf Prospectus and this Tranche II Prospectus with the ROC.

The consent of the Statutory Auditors of our Company, namely M/s. Khimji Kunverji & Co. LLP, Chartered Accountants, Mumbai (*formerly known as M/s. Khimji Kunverji & Co.*) for inclusion of (a) its name as the Statutory Auditors, (b) Statutory Auditors report dated April 26, 2019 on Audited Financial Results in the form and context in which they appear in this Tranche II Prospectus, (c) limited review report dated July 11, 2019 and Unaudited Financial Results, (d) the statement of tax benefits dated July 31, 2019, (e) the statement of capitalisation dated July 31, 2019, (f) the statement of dividends dated July 31, 2019, (g) the statement of accounting ratios dated July 31, 2019, (h) the statement have been obtained and the Statutory Auditors have not withdrawn such consent and the same will be filed along with a copy of this Tranche II Prospectus with the Registrar of Companies, Maharashtra, located at Mumbai.

The consents of the JMFHL Auditors for inclusion of (i) its name as the statutory auditors of the Subsidiary, (ii) JMFHL Auditor's report dated April 23, 2019 and the Audited Ind AS Financial Statements, and (iii) the JMFHL Auditor's report dated July 11, 2019 and the JMFHL Special Purpose Unaudited Interim Financial Information, have been obtained and such consent is not withdrawn and the same will be filed along with a copy of this Tranche II Prospectus with the Registrar of Companies, Maharashtra, located at Mumbai.

### **Expert Opinion**

Except the: (i) Statutory Auditors report dated April 26, 2019 on Audited Financial Results; (ii) limited review report dated July 11, 2019 on Unaudited Financial Results, issued by M/s. Khimji Kunverji & Co. LLP, Chartered Accountants, Mumbai (*formerly known as M/s. Khimji Kunverji & Co.*); and (iii) JMFHL Auditor's report dated April 23, 2019 and the Audited Ind AS Financial Statements; and (iv) JMFHL Auditor's report dated July 11, 2019 on JMFHL Special Purpose Unaudited Interim Financial Information issued by M/s. Deloitte Haskins & Sells LLP, our Company has not obtained any expert opinions.

### **Common form of Transfer**

The Issuer undertakes that there shall be a common form of transfer for the Secured NCDs and the provisions of the Companies Act, 2013 applicable as on the date of this Tranche II Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

### **Minimum Subscription**

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of the Base Issue, being ₹ 75 crores within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within the timelines prescribed under Applicable Law. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

### **Filing of the Tranche II Prospectus with the RoC**

A copy of this Tranche II Prospectus shall be filed with the Registrar of Companies in accordance with Section 26 and Section 31 of the Companies Act, 2013.

### **Debenture Redemption Reserve\***

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of the

company available for payment of dividend, (b) the DRR shall be equivalent to at least 25% of the value of the outstanding debentures issued through the public issue in accordance with the SEBI Debt Regulations in case of NBFCs registered with the RBI no DRR is required in the case of privately placed debentures. Accordingly our Company is required to create a DRR of 25% of the value of the outstanding Secured NCDs issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the Secured NCDs. Every company required to create or maintain DRR shall on or before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilised for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year.

*\*As part of the recently announced Union Budget 2019-2020, the Ministry of Finance, Government of India has stated that in order to allow NBFCs to raise funds in public issues, the requirement of creating a DRR, which is currently applicable for only for public issues, is proposed to be done away with. This provision, however, has not yet been notified by the Ministry of Corporate Affairs and is not in force as on the date of this Tranche II Prospectus. Upon this provision coming into effect, unless expressly or by implication stated otherwise in the notification / circular to be issued by the Ministry of Corporate Affairs, we shall utilise the provisions of such notification/ circular in accordance with the terms and conditions as set out therein and subject to applicable law, for securities issued pursuant to this document.*

### **Underwriting**

This Issue shall not be underwritten.

### **Identification as wilful defaulter**

Our Company (as defined under the Companies Act, 2013) or any of its Directors or Promoters have not been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI or any other governmental authority.

### **Reservation**

No portion of this Tranche II Issue has been reserved.

### **Details regarding the Company and other listed companies under the same management / associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years**

There are no other listed companies under the same management / associate companies as described under the Companies Act, 2013, which have made any public capital issuances during the previous three years from the date of this Tranche II Prospectus.

### **Private Placement**

The Company has issued and allotted on private placement basis secured, rated, listed, redeemable, non-convertible debentures as given in the below table. The said debentures have been listed at BSE.

<b>Financial Year</b>	<b>Units (Face value of ₹ 10 lakhs each)</b>	<b>Issue Amount (₹ In Crore)</b>
2014 – 15	545	54.5
2015 – 16	1,458	145.8
2016 – 17	10,884	1,088.4 (Includes Unsecured NCD of Rs. 177 crore)
2017 – 18	22,307	2,230.7 (Includes Unsecured NCD of Rs. 457 crore)
2018 – 19	5,735	573.50 (Includes Unsecured NCD of Rs. 55 crore)
<b>Total</b>	<b>40,929</b>	<b>4,092.9</b>

## Previous Issue

Except as stated in the sections titled "Capital Structure" and "Disclosures on existing financial indebtedness" on pages 51 and 133 of the Shelf Prospectus respectively, our Company has not made any other issue of non convertible debentures.

Other than as specifically disclosed in this Tranche II Prospectus, our Company has not issued any securities for consideration other than cash.

## Utilisation details of Previous Public Issues

### *Utilisation details of previous public issues made by the Company*

The Company has made a public issue of its securities prior to the date of this Tranche II Prospectus. The details of the utilisation of issue proceeds as of June 30, 2019 from such public issue are given below:

Issue opening date	Issue closing date	Date of allotment of securities	Particulars	Amount (₹ in Crores)
April 22, 2019	May 15, 2019	May 21, 2019	Repayment of borrowings	Nil
			Onward Lending	241.78
			General Corporate Purposes	8.02
			Pending utilization of funds (invested in liquid mutual funds)	137.18
			<b>Total</b>	<b>386.98</b>

### *Utilisation details of previous public issues made by Group Companies*

JM Financial Credit Solutions Limited has made a public issue of secured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 each. The details of the utilisation of issue proceeds from such public issue are given below:

Tranches	Issue opening date	Issue closing date	Date of allotment of securities	Particulars	Amount (₹ in Crores)
Tranche I	May 28, 2018	May 29, 2018	June 07, 2018	Repayment of borrowings	249.0
				Lending	465.0
				Working Capital	36.0
				<b>Total</b>	<b>750.0</b>
Tranche II	November 20, 2018	December 07, 2018	December 13, 2018	Repayment of borrowings	228.0
				Lending	31.0
				General Corporate Purpose	4.6
				<b>Total</b>	<b>263.6</b>

## Details regarding lending out of issue proceeds of Previous Issues

### A. *Lending Policy*

Please refer to the section titled "Our Business" on page 92 of the Shelf Prospectus for details regarding the lending policy of the Company.

**B. Loans given by the Company**

As of June 30, 2019 there are no loans given by our Company that are outstanding towards associate companies or entities / persons related to the Board, senior management, Promoter or other parties covered in the registered maintained under Section 189 of the Companies Act, 2013.

**C. Types of loans**

Types of loan given by the Company as on March 31, 2019 are as follows:

S. No	Type of loans	Amount ( Rs in crores)
1	Secured	5161.1
2	Unsecured	65.5
	<b>Total</b>	<b>5226.6*</b>

\*Excluding impact of Ind AS adjustments viz interest accrued, expected credit loss and effective interest rate aggregating to Rs.(6.0) crore.

Denomination of loans outstanding by ticket size as on March 31, 2019:

S. No	Ticket size	Percentage of AUM
1	Upto Rs 2 lakh	0.0%
2	Rs 2-5 Lakh	0.1%
3	Rs 5-10 Lakh	0.1%
4	Rs 10-25 Lakh	0.3%
5	Rs 25-50 Lakh	0.5%
6	Rs 50 Lakh -1 Crore	1.2%
7	Rs 1 - 5 Crore	3.9%
8	Rs 5-25 Crore	13.9%
9	Rs 25-100 Crore	48.2%
10	>Rs 100 Crore	31.8%
	<b>Total</b>	<b>100.0%</b>

Geographical classification of borrowers as on March 31, 2019:

S. No.	Top 5 states	Percentage of AUM
1	Maharashtra	93.4%
2	Karnataka	2.4%
3	West Bengal	1.8%
4	Gujarat	1.0%
5	Telangana	0.8%
	<b>Total</b>	<b>93.4%</b>

Types of loans according to sectorial exposure as on March 31, 2019 is as follows:

S. No	Segment- wise breakup of AUM	Percentage of AUM
<b>1</b>	<b>Capital Market</b>	<b>35.5%</b>
a	Corporate Funding	20.7%
b	ESOP Funding	2.6%
c	Loan against Bond / Mutual Fund	2.4%
d	Loan against Shares	1.5%
e	Margin Funding	6.9%
f	Sponsored Financing	1.4%
<b>2</b>	<b>Real Estate Funding</b>	<b>35.2%</b>
a	Commercial real estate	27.7%
b	Residential Mortgages	7.5%
<b>3</b>	<b>Others</b>	<b>29.3%</b>
	<b>Total</b>	<b>100%</b>

Maturity profile of total retail loan portfolio of the Company as on March 31, 2019 is as follows:

Period	Amount ( Rs in crores)
Less than 1 month	156.6
1-2 month	85.6
2-3 month	361.4
3-6 month	192.4
6 month -1 year	55.7
Above 1 year	369.8
<b>Total</b>	<b>1,221.5</b>

**D. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2019**

	Amount (Rs in crore)
Total Advances to twenty largest borrowers	2,767.8
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	53.3%

**E. Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2019**

	Amount (Rs in crore)
Total Exposures to twenty largest borrowers/Customers	2806.1
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers	53.4%

**F. Details of loans overdue and classified as non – performing in accordance with the RBI’s guidelines as of March 31, 2019**

Movement of gross NPAs*	Amount (Rs in crores)
(a) Opening balance	16.8
(b) Additions during the year	17.2
(c) Reductions during the year	30.3
(d) closing balance	3.7

\*Please refer paragraph titled "Non Performing Assets (NPAs)" under chapter "Our Business" at page 92 of the Shelf Prospectus for details on Gross NPA recognition Policy.

Movement of provisions for NPAs	Amount (Rs in crores)
(a) Opening balance	1.7
(b) Provisions made during the year	8.2
(c) Write-off / write -back of excess provisions	9.5
(d) closing balance	0.4

**G. Segment –wise gross NPA as on March 31, 2019**

S. no	Segment- wise breakup of gross NPAs	Gross NPA (%)
1	Other Loans	0.9
	<b>Total</b>	<b>0.9</b>

**H. Classification of borrowings as on March 31, 2019**

S. No	Type of Borrowings	Amount (Rs in crores)	Percentage
1	Secured	3,160.9	71.6%
2	Unsecured	1,256.7	28.4%
	<b>Total</b>	<b>4,417.6</b>	<b>100.0%</b>

The above is shown at face value i.e. without considering premium / unamortized discount and excluding Ind AS adjustments.

### I. Promoter Shareholding

Please refer to the chapter "Capital Structure" on page 42 of this Tranche II Prospectus for details with respect to Promoter shareholding in our Company as on date of the Tranche II Prospectus.

### J. Residual maturity profile of assets and liabilities as on March 31, 2019

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowing from Banks	47.3	16.7	-	40.5	231.3	593.5	28.6	-	957.9
Market Borrowings	21.1	111.5	314.5	543.0	692.1	1438.1	250.8	-	3371.1
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
<b>Assets</b>									
Advances	201.5	227.6	572.5	402.7	617.3	2518.5	469.5	147.1	5156.7
Deposits	-	-	-	-	-	0.1	9.0	0.0	9.1
Investments	378.1	-	-	-	1.7	35.9	-	126.1	541.8
Foreign currency assets	-	-	-	-	-	-	-	-	-

### Auditors' Remarks

There have been no reservations or qualifications or adverse remarks in the financial statements of the Company in the last five financial years immediately preceding the date of this Tranche II Prospectus.

### Dividend

Our Company has no stated specific dividend policy. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The dividends paid / declared by our company for the financial year 2018-19 are as follows:

Financial Year	Nature of Dividend	Dividend Per Equity Share of face value of ₹10 each
2018-19	Final	Rupee 0.20 per share
	Interim	Rupee 0.70 per share

### Details of fraud committed against the Company

No acts of material frauds have been committed against the Company in the last five years and up to the period ended June 30, 2019.

### Revaluation of assets

The Company has not revalued its assets in the last five years.

## **Mechanism for redressal of investor grievances**

Karvy Fintech Private Limited (*formerly known as KCPL Advisory Services Private Limited*) has been appointed as the Registrar to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints. The Registrar Agreement between the Registrar and our Company will provide for retention of records with the Registrar for a period of at least 8 years from the last date of despatch of the letters of allotment, demat credit and refund credit to enable the investors to approach the Registrar for redressal of their grievances. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of Secured NCDs applied for, Series of Secured NCDs applied for, the Depository Participant and the amount blocked on Application. A copy of all grievances may also be addressed to either **(a)** the relevant Designated Branch of the SCSB where the Application Form was submitted by the Applicant, or **(b)** the concerned Designated Intermediary and the relevant Designated Branch of the SCSB in the event of an Application submitted at any of the Syndicate ASBA Centres.

All grievances arising out of Applications for the Secured NCDs made through Online Stock Exchanges may be addressed directly to the Designated Stock Exchange. The contact details of Registrar to the Issue are as follows:

### **Registrar to the Issue**

#### **Karvy Fintech Private Limited (*formerly known as KCPL Advisory Services Private Limited*)**

Karvy Selenium Tower B,  
Plot 31-32,  
Gachibowli Financial District,  
Nanakramguda,  
Hyderabad 500 032  
Tel: (+91 40) 6716 2222  
Fax: (+91 40) 2343 1551  
Email: jmfpl.ncd1@karvy.com  
Investor Grievance Email: einward.ris@karvy.com  
Website: www.karvyfintech.com  
Contact Person: Mr. Murali Krishna  
Compliance Officer: Mr. Rakesh Santhalia  
SEBI Registration No.: INR000000221

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 7 (seven) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Mr. Rupesh Samani has been appointed as the Company Secretary and Compliance Officer of our Company for this Issue.

The contact details of the Company Secretary and Compliance Officer of our Company are as follows:

#### **Mr. Rupesh Samani**

Company Secretary and Compliance Officer  
7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai  
Maharashtra 400 025  
Tel: (+91 022) 6630 3030  
Fax: (+91 022) 6630 3223  
Email: investorrelations.products@jmfl.com/rupesh.samani@jmfl.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as demat credit or refunds.

### Change in Auditors of our Company during the last three years

M/s. Khimji Kunverji & Co. LLP, Chartered Accountants, Mumbai, (formerly known as M/s. Khimji Kunverji & Co.) is the current statutory auditor of the Company. Prior to M/s. Khimji Kunverji & Co. LLP, Chartered Accountants, Mumbai, (formerly known as M/s. Khimji Kunverji & Co.) Deloitte Haskins & Sells LLP, Chartered Accountants, were the statutory auditors of the Company. Details of changes in the statutory auditors of the Company in the last 3 years have been summarised below:

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)	Remarks
Deloitte Haskins & Sells LLP, Chartered Accountants	Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Elphinstone Mill Compound, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013, India	17/07/2018 Resignation	10/10/2008	Resignation on account of expiry of the term of engagement of 5 years.
Khimji Kunverji & Co. LLP, Chartered Accountants (formerly known as M/s. Khimji Kunverji & Co.)	Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013	17/07/2018 Appointment	-	Appointment on account of expiry of the term of engagement of the previous statutory auditor, Deloitte Haskins & Sells LLP, Chartered Accountants, of 5 years.

## **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company situated at 7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai, Maharashtra 400 025, India from 10.00 A.M. to 5.00 P.M. on any Working Day during which the issue is open for public subscription under the respective Tranche Prospectus

### **A. *Material Contracts***

1. Issue Agreement dated January 24, 2019 and further amended by amendment agreement dated July 30, 2019 between the Company, A.K. Capital Services Limited, Trust Investment Advisors Private Limited and JM Financial Limited,.
2. Registrar Agreement dated January 24, 2019 executed between the Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated January 24, 2019 executed between the Company and the Debenture Trustee.
4. Debenture Trust Deed dated May 20, 2019 executed between the Company and the Debenture Trustee.
5. Tripartite agreement between the Company, Registrar to the Issue and CDSL dated July 20, 2016.
6. Tripartite agreement between the Company, Registrar to the issue and NSDL dated July 27, 2017.
7. Public Issue Account Agreement dated July 30, 2019 between our Company, the Registrar, the Public Issue Account Bank and the Lead Managers.
8. Lead Brokers Agreement dated July 30, 2019 between our Company, the Lead Brokers and the Lead Managers.

### **B. *Material Documents***

1. Certificates of incorporation of the Company dated July 10, 1984, July 15, 1992, August 17, 2001, June 10, 2005 and June 28, 2010 issued by the RoC.
2. Memorandum and Articles of Association of the Company.
3. The certificate of registration No. B-13.00178 dated March 02, 1998 issued by Reserve Bank of India u/s 45 IA of the RBI Act, 1934.
4. Credit rating letter dated January 03, 2019 and revalidation letter dated July 30, 2019 from CRISIL granting credit ratings to the NCDs.
5. Credit rating letter dated January 09, 2019 and revalidation letter dated July 24, 2019 from ICRA granting credit ratings to the NCDs.
6. Copies of the resolutions passed by the Board of Directors of the Company dated October 24, 2018 and July 11, 2019 approving the Issue.
7. Copy of resolution passed by the NCD Public Issue Committee dated February 01, 2019 approving the Draft Shelf Prospectus.
8. Copy of the resolution passed by the NCD Public Issue Committee dated April 11, 2019 approving the Shelf Prospectus and Tranche I Prospectus.
9. Copy of resolution passed by the NCD Public Issue Committee dated July 31, 2019 approving the Tranche II Prospectus.

10. Copy of the resolution passed by the shareholders of the Company on October 25, 2018, approving the overall borrowing limit of Company.
11. Consents of the Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Lead Managers, the Registrar to the Issue, legal advisor to the Issue, Credit Rating Agencies, the Debenture Trustee, lenders of the Company, the Lead Brokers, the Refund Banker, the Public Issue Account Bank and Arun Arora & Co. as independent chartered accountant for inclusion of the statement of tax shelter, and to include their names in this Tranche II Prospectus.
12. The consent of the Statutory Auditors for inclusion of: (a) its name as the Statutory Auditors; (b) the Statutory Auditor's report dated April 26, 2019 along with the Audited Financial Results in the form and context in which they appear in this Tranche II Prospectus; (c) limited review report dated July 11, 2019 along with the Unaudited Financial Results; (d) the statement of tax benefits dated July 31, 2019 available to the debenture holders; (e) the statement of capitalisation; (f) the statement of dividends; and (g) the statement on accounting ratios, in the form and context in which they appear in this Tranche II Prospectus.
13. The consents of the JMFHL Auditors for inclusion of (i) its name as the statutory auditors of the Subsidiary; (ii) the JMFHL Auditor's report dated April 23, 2019 along with the Audited Ind AS Financial Statements; and (iii) the JMFHL Auditor's report dated July 11, 2019 along with the JMFHL Special Purpose Unaudited Interim Financial Information.
14. Audited Financial Results and Unaudited Financial Results.
15. JMFHL Audited Ind AS Financial Statements and JMFHL Special Purpose Unaudited Interim Financial Information.
16. Annual Reports of the Company for the last five Financial Years.
17. Due Diligence certificate dated July 31, 2019 filed by the Lead Managers with SEBI.
18. In-principle approval, dated February 8, 2019 for the Issue issued by the BSE.
19. Statement of tax benefits dated July 31, 2019.

## FINANCIAL INFORMATION

<b>S. No.</b>	<b>Particulars</b>	<b>Page No.</b>
1.	Limited review report dated July 11, 2019 and Unaudited Financial Results for the three months period ended June 30, 2019 of our Company.	145
2.	Statutory Auditor's report dated April 26, 2019 and the Audited Financial Results comprising of the statement of assets and liabilities, the related standalone statement of profit and loss and cash flow statement of our Company as at and for the year ended March 31, 2019 as examined by the Statutory Auditors of our Company.	150
3.	JMFHL Auditor's report dated July 11, 2019 on JMFHL Special Purpose Unaudited Interim Financial Information for the three months period ended June 30, 2019.	221
4.	JMFHL Auditor's report dated April 23, 2019 and the Audited Ind AS Financial Statements comprising of the standalone statement of assets and liabilities, the related standalone statement of profit and loss and cash flow statement of JMFHL as at and for the year ended March 31, 2019 as examined by the JMFHL Auditors.	226

## Limited Review Report

To  
Board of Directors,  
JM Financial Products Limited  
Mumbai

### INTRODUCTION

1. We have reviewed the accompanying statement of unaudited financial results ('Statement') of JM Financial Products Limited ('Company') for the quarter ended June 30, 2019, attached herewith, being submitted by the Company to facilitate consolidation of its financial results with those of its parent, namely JM Financial Limited pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'). Attention is drawn to the fact that the figures for the quarter ended March 31, 2019 as reported in this Statement are the balancing figures between audited figures in respect of full previous financial year and the published year to date figures up to the end of third quarter of the previous financial year. The figures up to the end of third quarter of the previous financial year had only been reviewed and not subject to audit.

The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

### SCOPE OF REVIEW

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial results and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

### CONCLUSION

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. This report is issued at the request of the management of the Company for the purpose of facilitating consolidation as stated in paragraph 1 above and for the purpose of inclusion in the Offer Document to be filed with the Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed issue of Non-Convertible Debentures by the Company and should not be used for or circulated to any other person for any other purpose, without our prior written consent.



# Khimji Kunverji & Co LLP

Chartered Accountants

## OTHER MATTERS

5. The Financial Results for the corresponding Quarter ended June 30, 2018 were reviewed by Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai ("the erstwhile Statutory Auditors"), whose review report dated July 17, 2018 did not contain any qualification or modification.

For Khimji Kunverji & Co LLP  
(formerly Khimji Kunverji & Co – FRN: 105146W)  
Chartered Accountants



Hasmukh B Dedhia  
Partner (F-033494)  
UDIN: 19033494AAAADX4218



Place: Mumbai  
Dated: July 11, 2019

**JM FINANCIAL PRODUCTS LIMITED**
**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019**

(Rupees in Lakh)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2019 Unaudited	31.03.2019 Unaudited (Refer Note 5)	30.06.2018 Unaudited	31.03.2019 Audited
<b>1</b>	<b>Income</b>				
<b>I</b>	Revenue from operations				
(a)	Interest income	19,789.23	19,618.52	19,753.36	85,613.55
(b)	Fees and commission income	601.79	346.21	3,691.46	3,898.89
(c)	Other operating income	489.45	328.24	52.01	709.59
(d)	Net gain on fair value changes*	1,639.41	1,621.38	817.64	4,681.25
(e)	Net gain on derecognition of financial instruments under amortised cost category	1,376.79	-	-	-
	<b>Total Revenue from operations</b>	<b>23,896.67</b>	<b>21,914.35</b>	<b>24,314.47</b>	<b>94,903.28</b>
<b>II</b>	Other Income	90.79	(0.94)	9.56	35.24
	<b>Total Income</b>	<b>23,987.46</b>	<b>21,913.41</b>	<b>24,324.03</b>	<b>94,938.52</b>
<b>2</b>	<b>Expenses</b>				
(a)	Finance costs	11,945.27	12,779.29	11,726.56	52,196.36
(b)	Impairment on financial instruments	228.65	(2,018.73)	359.34	(681.53)
(c)	Net loss on fair value changes	-	1,581.43	-	1,581.43
(d)	Employee benefits expense	1,533.13	809.07	1,683.34	5,387.46
(e)	Depreciation and amortisation expense	320.42	107.45	43.57	254.82
(f)	Other expenses	686.05	1,543.94	880.27	4,624.36
	<b>Total expenses</b>	<b>14,713.52</b>	<b>14,802.45</b>	<b>14,693.08</b>	<b>63,362.90</b>
<b>3</b>	<b>Profit before tax</b>	<b>9,273.94</b>	<b>7,110.96</b>	<b>9,630.95</b>	<b>31,575.62</b>
<b>4</b>	<b>Tax Expense:</b>				
(a)	Current tax	2,970.00	2,290.00	3,260.00	11,230.00
(b)	Deferred tax	116.22	238.30	121.20	(84.02)
	<b>Total tax expenses</b>	<b>3,086.22</b>	<b>2,528.30</b>	<b>3,381.20</b>	<b>11,145.98</b>
<b>5</b>	<b>Net Profit for the period</b>	<b>6,187.72</b>	<b>4,582.66</b>	<b>6,249.75</b>	<b>20,429.64</b>
<b>6</b>	<b>Other Comprehensive Income</b>				
(i)	Items that will not be reclassified to profit or loss				
-	Actuarial gain /(loss) on post retirement benefit plans	3.65	13.31	0.54	15.61
-	Income tax on the above	(1.28)	(4.65)	(0.19)	(5.45)
	<b>Other Comprehensive Income</b>	<b>2.37</b>	<b>8.66</b>	<b>0.35</b>	<b>10.16</b>
<b>7</b>	<b>Total Comprehensive Income</b>	<b>6,190.09</b>	<b>4,591.32</b>	<b>6,250.10</b>	<b>20,439.80</b>
<b>8</b>	<b>Paid up equity share capital (Face value Re.10/- per share)</b>	<b>54,450.00</b>	<b>54,450.00</b>	<b>54,450.00</b>	<b>54,450.00</b>
<b>9</b>	<b>Earnings Per Equity Share (EPS)</b>				
	Basic EPS (in Re.) (Not annualised)	1.14	0.84	1.15	3.75
	Diluted EPS (in Re.) (Not annualised)	1.14	0.84	1.15	3.75

**Note :** Total Net gain/ (loss) on fair value changes include Rs.1639.41 Lakh for quarter ended June 30, 2019 ( Rs 1621.38 Lakh for quarter ended March 31, 2019, Rs 817.38 Lakh for quarter ended June 30, 2018 & Rs 4681.25 Lakh for year ended March 31,2019) as 'Net gain or loss on sale of investments'.

**JM Financial Products Limited**

Corporate Identity Number : U74140MH1984PLC033397

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

T: 91 22 6630 3030 F: 91 22 6630 3223 www.jmfl.com



**JM FINANCIAL PRODUCTS LIMITED**  
**STATEMENT OF UNAUDITED BALANCE SHEET AS AT JUNE 30, 2019**

(Rupees in Lakh)

Sr. No.		As at June 30, 2019 Unaudited	As at March 31, 2019 Audited
	<b>ASSETS</b>		
<b>(1)</b>	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	11,957.21	14,237.84
(b)	Other Bank Balances	6,005.35	6,005.00
(c)	Loans	550,695.93	522,058.19
(d)	Investments	16,376.37	54,182.46
(e)	Other Financial assets	120,664.44	8,556.29
		<b>705,699.30</b>	<b>605,039.78</b>
<b>(2)</b>	<b>Non-financial Assets</b>		
(a)	Current tax assets ( net )	2,703.52	2,429.02
(b)	Deferred tax Assets	2,741.83	2,859.97
(c)	Property, Plant and Equipment	9,117.97	619.32
(d)	Other Intangible assets	141.00	154.23
(e)	Intangible assets under development	42.59	40.59
(f)	Other non-financial assets	593.25	926.97
		<b>15,340.16</b>	<b>7,030.10</b>
	<b>Total Assets</b>	<b>721,039.46</b>	<b>612,069.88</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
<b>(1)</b>	<b>Financial Liabilities</b>		
(a)	Payables		
	<b>(I) Trade Payables</b>		
(i)	total outstanding dues of micro enterprises and small enterprises	0.54	0.54
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	129.38	49.03
(b)	Debt securities	427,626.43	348,738.87
(c)	Borrowings (Other than Debt Securities)	126,748.30	103,603.56
(d)	Other financial liabilities	2,734.43	2,610.39
	<b>Total Financial Liabilities</b>	<b>557,239.08</b>	<b>455,002.39</b>
<b>(2)</b>	<b>Non-Financial Liabilities</b>		
(a)	Current tax liabilities (Net)	956.78	30.83
(b)	Provisions	341.37	330.90
(d)	Other non-financial liabilities	287.75	680.37
	<b>Total Non-Financial Liabilities</b>	<b>1,585.90</b>	<b>1,042.10</b>
<b>(3)</b>	<b>EQUITY</b>		
(a)	Equity Share capital	54,450.00	54,450.00
(b)	Other Equity	107,764.48	101,575.39
	<b>Total Equity</b>	<b>162,214.48</b>	<b>156,025.39</b>
	<b>Total Liabilities and Equity</b>	<b>721,039.46</b>	<b>612,069.88</b>



**JM Financial Products Limited**

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**JM FINANCIAL PRODUCTS LIMITED****Notes :**

- 1 The above results have been reviewed and recommended for Board approval by the Audit Committee and approved by the Board of Directors at the meeting held on July 11, 2019. These results have been subjected to a "Limited Review" by the statutory auditors of the Company.
- 2 The said financial results have been prepared as per the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended to the extent applicable to the Company for the purpose of preparation of consolidated financial results of the holding company, JM Financial Limited and for the purpose of inclusion in the Offer Document to be filed with the Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed issue of Non-Convertible Debentures by the Company.
- 3 The Company has only one business segment i.e Fund based activities and hence there are no other reportable segments.
- 4 From April 1, 2019, the new accounting standard i.e. Ind AS 116 "Leases" became effective. The Company has adopted the new standard with modified approach and recognized asset in the form of 'Right to use' (representing its right to use the leased asset over the lease term) and also liability towards present value of the balance of future lease payments for the leases. In the statement of profit and loss for the quarter ended June 30, 2019 ('period'), the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. Due to said change, profit is reduced by Rs 146.83 Lakh for the period.
- 5 The figures in respect of the results for the preceding three months ended March 31, 2019 are the balancing figures between the audited financial results in respect of the full financial year March 31, 2019 and the year to date figures up to the third quarter ended December 31, 2018, which were approved by the Board of Directors.
- 6 Figures in respect of the previous year/period have been rearranged /regrouped wherever necessary to correspond with the figures of the current period.

**For and on behalf of the Board**



**Vishal Kampani**  
Managing Director  
DIN - 00009079

Mumbai, dated, July 11, 2019

**JM Financial Products Limited**

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**INDEPENDENT AUDITOR'S REPORT****To the Members of JM Financial Products Limited****Report on the Audit of the Standalone Ind AS Financial Statements****Opinion**

1. We have audited the accompanying standalone Ind AS financial statements of **JM Financial Products Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

2. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 thereunder; and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

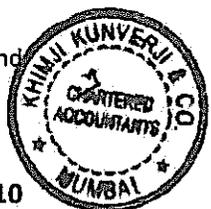
**Key Audit Matters**

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

**Nature of Key audit Matter – provision towards Expected Credit Loss on Loans**

As per the roadmap notified by the Ministry of Corporate Affairs ('MCA') to Indian Accounting Standards ('Ind AS'), the Company has adopted to prepare and present its financial statements from financial year 2018-19 with corresponding comparatives of previous year 2017-18, the transition date being April 1, 2017. As part of adoption to new accounting framework, the Company, inter alia, reported financial assets viz Loans aggregating to Rs. 5191.86 Crores net of provision towards expected credit loss of Rs. 34.73 Crores as at March 31, 2019. The Expected Credit Loss ('ECL') is based on management estimates using collective model approach for the loan exposure, hence key audit matter. Measurement of credit impairment in outstanding loans involves application of significant judgement by the management of the Company like:

- Timely identification and classification of the impaired credits in loans
- Determination of probability of defaults based on comparative external and internal ratings and further considering values of underlying securities/collaterals and such other relevant factors.
- Assumptions for estimated future cashflows in respect of credit impaired loan accounts.





## Our audit processes applied to address the identified key audit Matter

- Tested the design and effectiveness of internal controls in respect of followings:
  - Identification and classification of loans with indications of impaired credits in loan accounts;
  - Evaluating management estimation of future cash flows basis the past experience;
  - For identified credit impaired accounts, selectively testing the forecasts and calculations pertaining thereto;
  - Validation of the model used to ascertain impairment provisioning considering the bifurcation of such loans in correct bucketing;
  - Testing the completeness and accuracy of data from the systems used in models including bucketing of loans into delinquency bands;
  - Assessing management estimates / judgement of key assumptions for aforesaid matters

## Information Other than the Financial Statements and Auditor's Report Thereon

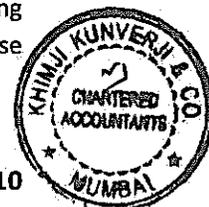
4. The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, and such other disclosures related Information, excluding the standalone Ind AS financial statements and auditors report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

## Responsibility of Management for Standalone Ind AS Financial Statements

5. 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under prescribed Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone Ind AS 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.





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

## Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 standalone Ind AS financial statements. Our audit process in accordance with the SAs is narrated in details in Annexure 1 to this report.

## Other Matters

7. The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening Balance Sheet as at April 01, 2017 included in these Standalone Ind AS financial statements, are based on the previously issued statutory standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by Deloitte Haskins & Sells LLP, Chartered Accountants (predecessor auditor) for the year ended March 31, 2018 and for the year ended March 31, 2017, whose reports dated April 30, 2018 and April 27, 2017 respectively, expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 2, a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164 (2) of the Act.
  - f. In terms of provisions of Section 197(16) of the Act, as per the information and explanations given, we report that the managerial remuneration paid by the Company to its Directors is in accordance with provisions of Section 197 of the Act.





- g. With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 3.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under:
- (i) The Company does not have any pending Litigation, as at the year end 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 Education and Protection Fund by the Company.

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

A handwritten signature in black ink, appearing to read 'H. Dedhia', with a small flourish at the end.

Hasmukh B Dedhia  
Partner (F - 033494)

Place: Mumbai  
Date: April 26, 2019

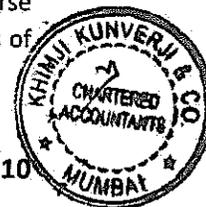


## Annexure 1 to the Independent Auditors' Report

(referred to in para 6 titled "Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements")

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to 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 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 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 auditor's 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 auditor's 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.
- 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 Auditor's 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.





## Annexure 2 to the Independent Auditors' Report

[referred to in para 8 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to us, fixed assets were physically verified by the Management at regular intervals. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company
- ii. The Company does not have any inventory. Accordingly, reporting under clause (iii) of the order is not applicable
- iii. In our opinion and according to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act, in respect of which:
  - a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - c. There is no amount overdue for more than 90 days at the balance sheet date.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees which requires compliance with the provisions of section 185 and 186 of the Act and hence reporting under clause (iv) of the Order is not applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act for the business activities carried out by the Company. Thus reporting under (vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Cess and other material statutory dues generally have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.





Considering the nature of business that the Company is engaged in, Employees' State Insurance, Excise Duty and Custom Duty are not applicable to the Company.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Sales-tax, Service tax, Goods and Service Tax and Value added tax which have not been deposited as on March 31, 2019 on account of disputes

Details of dues of Income Tax which have not been deposited as on 31st March, 2019 on account of disputes are given below:

Nature of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates (Financial Year)	Amount Unpaid
Income Tax, 1961	Income Tax	Commissioner of Income Tax	2010-11	29,119,790/-
			2013-14	35,884,463/-
			2014-15	7,123,404 /-
			2015-16	2,349,090/-

- 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 has not taken loans or borrowings from government and financial institutions.
- ix. In our opinion and according to the information and explanations given to us, money raised through issue of debt instruments and through terms loans has been utilised during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, reporting under clause (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required under applicable Indian Accounting Standard (Ind AS)
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause (xiv) of the Order is not applicable to the Company.



# Khimji Kunverji & Co

(Registered)

Chartered Accountants



- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, reporting under clause (xv) of the Order is not applicable to the Company.
- xvi. The Company is registered under section 45IA of the Reserve Bank of India Act, 1934

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

A handwritten signature in black ink, appearing to read 'H. Dedhia'.

**Hasmukh B Dedhia**  
Partner (F - 033494)

Place: Mumbai  
Date: April 26, 2019



## Annexure 3 to the Independent Auditors' Report

[referred to in paragraph 9(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

### Report on the Internal Financial Controls 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 Products Limited ("the Company") as at March 31, 2019 in conjunction with our audit of the standalone 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 ("ICAI"). 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 the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

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

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

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS 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

- (c) 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 standalone Ind AS 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 considering the nature and size of the operations, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2019, 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 ICAI.

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

A handwritten signature in black ink, appearing to read 'Hasmukh B Dedhia', with a small mark to its right.

**Hasmukh B Dedhia**  
Partner (F - 033494)

Place: Mumbai  
Date: April 26, 2019

**JM FINANCIAL PRODUCTS LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Rupees in Crore

Sr. No.	Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>ASSETS</b>				
(1)	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	142.38	195.75	191.77
(b)	Other Bank Balances	60.05	205.50	60.00
(c)	Loans	5,220.58	6,543.49	5,473.89
(d)	Investments	541.82	98.63	113.89
(e)	Other Financial assets	85.56	88.60	19.76
		<b>6,050.39</b>	<b>7,131.97</b>	<b>5,859.31</b>
(2)	<b>Non-financial Assets</b>			
(a)	Current tax assets ( net )	24.29	17.29	16.07
(b)	Deferred tax Assets (net)	28.60	27.81	22.13
(c)	Property, Plant and Equipment	6.19	4.08	4.05
(d)	Other Intangible assets	1.54	1.47	0.91
(e)	Intangible assets under development	0.41	1.32	0.67
(f)	Other non-financial assets	9.27	3.91	1.68
		<b>70.30</b>	<b>55.88</b>	<b>45.51</b>
	<b>Total Assets</b>	<b>6,120.69</b>	<b>7,187.85</b>	<b>5,904.82</b>
<b>LIABILITIES AND EQUITY</b>				
(1)	<b>Financial Liabilities</b>			
(a)	Payables			
	(I) Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises	0.01	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.49	0.37	0.14
(b)	Debt Securities	3,490.29	4,713.33	4,112.90
(c)	Borrowings (Other than Debt Securities)	1,033.13	954.17	425.12
(d)	Other financial liabilities	26.10	36.51	32.70
	<b>Total Financial Liabilities</b>	<b>4,550.02</b>	<b>5,704.38</b>	<b>4,570.86</b>
(2)	<b>Non-Financial Liabilities</b>			
(a)	Current tax liabilities (Net)	0.31	2.41	2.62
(b)	Provisions	3.31	2.60	1.59
(d)	Other non-financial liabilities	6.80	11.01	7.07
	<b>Total Non-Financial Liabilities</b>	<b>10.42</b>	<b>16.02</b>	<b>11.28</b>
(3)	<b>EQUITY</b>			
(a)	Equity Share capital	544.50	544.50	544.50
(b)	Other Equity	1,015.75	922.95	778.18
	<b>Total Equity</b>	<b>1,560.25</b>	<b>1,467.45</b>	<b>1,322.68</b>
	<b>Total Liabilities and Equity</b>	<b>6,120.69</b>	<b>7,187.85</b>	<b>5,904.82</b>

Notes to the standalone financial statements

1 to 51

In terms of our report attached

For Khimji Kunverji & Co

Chartered Accountants

FRN: 105146W

*Hasmukh B Dedhia*

Hasmukh B Dedhia  
Partner ( F-033494 )

Place : Mumbai

Date : April 26, 2019

For and on behalf of the Board of Directors

*Vishal Kampani*  
Vishal Kampani  
Managing Director  
DIN - 00009079

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

*Nishit Shah*  
Nishit Shah  
Chief Financial Officer  
Place : Mumbai  
Date : April 26, 2019

*Reena Sharda*  
Reena Sharda  
Company Secretary

**JM FINANCIAL PRODUCTS LIMITED**  
**STANDALONE STATEMENT OF FINANCIAL RESULTS FOR PERIOD ENDED MARCH 31, 2019**

Rupees in Crores

Sr. No.	Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
(I)	<b>Revenue from operations</b>			
(i)	Interest Income	23	856.13	831.17
(ii)	Fees and Commission Income	24	38.99	13.12
(iii)	Other Operating Income	25	53.91	35.83
(iv)	Net gain on fair value changes	26	-	0.06
	<b>Total Revenue from operations</b>		<b>949.03</b>	<b>880.18</b>
(II)	<b>Other Income</b>	27	0.35	11.77
(III)	<b>Total Income (I+II)</b>		<b>949.38</b>	<b>891.95</b>
(IV)	<b>Expenses</b>			
(i)	Finance Costs	28	521.96	485.13
(ii)	Impairment on financial instruments	29	(6.82)	5.98
(iii)	Net loss on fair value changes	26	15.82	-
(iv)	Employee Benefits Expenses	30	53.86	39.82
(v)	Depreciation, amortization and impairment	12	2.55	2.51
(vi)	Operating and other expenses	31	46.25	45.17
	<b>Total Expenses</b>		<b>633.62</b>	<b>578.61</b>
(V)	<b>Profit / (loss) before exceptional items and tax (III-IV)</b>		<b>315.76</b>	<b>313.34</b>
(VI)	<b>Tax Expense:</b>			
	Current tax	32	112.30	114.50
	Deferred tax		(0.84)	(5.64)
	Tax adjustment of earlier years (net)		-	0.18
	<b>Total tax expenses</b>		<b>111.46</b>	<b>109.04</b>
(VII)	<b>Profit / (loss) for the period from continuing operations (V-VI)</b>		<b>204.30</b>	<b>204.30</b>
(VIII)	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to profit or loss			
	- Remeasurement of employee defined benefit obligation		0.15	(0.11)
	- Income tax on above		(0.05)	0.04
	<b>Other Comprehensive Income</b>		<b>0.10</b>	<b>(0.07)</b>
(IX)	<b>Total Comprehensive Income for the period (VII+VIII) (Comprising Profit (Loss) and other Comprehensive Income for the period)</b>		<b>204.40</b>	<b>204.23</b>
(X)	<b>Earnings per equity share</b>			
	Basic EPS (in Rs.) (Not annualised)		3.75	3.75
	Diluted EPS (in Rs.) (Not annualised)		3.75	3.75
<b>Notes to the standalone financial statements:</b>		<b>1 to 51</b>		

In terms of our report attached

For Khimji Kunverji & Co  
Chartered Accountants

FRN: 105/146W

*Hasmukh B Dedhia*

Hasmukh B Dedhia  
Partner ( F-033494 )

Place : Mumbai

Date : April 26, 2019

For and on behalf of the Board of Directors

*Vishal Kampani*  
Vishal Kampani  
Managing Director  
DIN - 00009079

*Nishit Shah*  
Nishit Shah  
Chief Financial Officer  
Place : Mumbai  
Date : April 26, 2019

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

*Reena Sharda*  
Reena Sharda  
Company Secretary

**JM FINANCIAL PRODUCTS LIMITED**  
**STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019**

Rupees in Crore

PARTICULARS	As at 31.03.2019	As at 31.03.2018
<b>A Net Profit before tax</b>	315.76	313.33
<b>Adjustment for :</b>		
Depreciation/ Amortisation	2.55	2.52
Profit on Sale of Fixed Assets (net)	-	(0.13)
Loan funds written off	1.82	4.16
Interest expenses - Others	0.03	0.16
Provision for doubtful loans written back (net)	-	(4.14)
Provision for Non Performing Assets	(1.31)	1.68
Provision for standard assets	3.26	2.22
Interest Income on fixed deposits with Banks and others	(0.05)	(0.67)
Provision for bonus - written back	-	(0.14)
Impairment on financial instruments	(6.82)	
Net loss on fair value changes	15.82	
Profit on sale of current investments	(46.81)	(30.25)
<b>Operating Profit before Working Capital Changes</b>	<b>284.25</b>	<b>288.74</b>
<b>Changes in working capital</b>		
<b>Adjustment for (increase)/ decrease in operating assets:</b>		
Loans and advances and other current assets	1,389.16	(1,158.15)
Stock-in-trade	(49.18)	9.86
Operating fixed deposits with banks	145.45	(145.50)
Accrued interest income related to operating activities	0.13	0.01
<b>Adjustment for increase/ (decrease) in operating liabilities:</b>		
Trade payables, other liabilities and provisions	(13.68)	9.04
Accrued interest expenses related to operating activities	29.64	108.87
<b>Cash (used in) operations</b>	<b>1,785.77</b>	<b>(887.13)</b>
Direct taxes paid (net)	(121.47)	(116.08)
<b>Net Cash (used in) Operating Activities (A)</b>	<b>1,664.30</b>	<b>(1,003.21)</b>
<b>B Cash flow from Investing Activities</b>		
Purchase of fixed assets	(2.31)	(4.36)
Sale of fixed assets	0.01	0.26
Investment in a subsidiary	(86.80)	(20.00)
Purchase of long term investments	-	(0.30)
Sale of long term investments	-	95.05
Sale /Purchase of current investments (net)	(343.33)	(29.26)
Interest received	0.05	0.56
<b>Net Cash generated from Investing Activities (B)</b>	<b>(432.38)</b>	<b>41.95</b>
<b>C Cash flow from Financing Activities</b>		
Proceeds from long term borrowings (net)	(365.96)	1,885.82
Proceeds from /(Repayments) short term borrowings (net)	(807.71)	(860.96)
Interest paid	(0.03)	(0.16)
Dividend paid (Including Corporate Dividend Tax)	(111.59)	(59.46)
<b>Net Cash flow from Financing Activities (C)</b>	<b>(1,285.29)</b>	<b>965.24</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(53.37)</b>	<b>3.98</b>
Cash and cash equivalents at the beginning of the year	195.75	191.77
Cash and cash equivalents at the end of the year	<b>142.38</b>	<b>195.75</b>



**JM FINANCIAL PRODUCTS LIMITED**  
**STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019**

Rupees in Crore

**Notes:**

(1) <b>Reconciliation of cash and cash equivalents:</b>		
As per Balance Sheet (Refer note 5 & 6)	202.43	401.25
Less: Balances with banks in deposit	60.05	205.50
<b>As per Cash-flow statement</b>	<b>142.38</b>	<b>195.75</b>

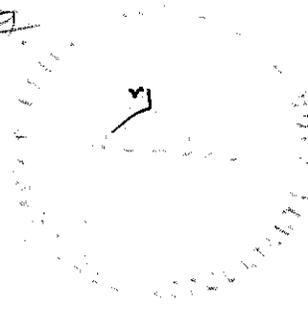
(2) Balances with banks in deposit includes Rs.60.05 crore (Previous year Rs.205.50 crore) placed as securities against overdraft facilities availed from the banks.

In terms of our report attached

For Khimji Kunverji & Co  
 Chartered Accountants  
 FRN: 105146W

Hasmukh B Dedhia  
 Partner ( F-033494 )

Place : Mumbai  
 Date : April 26,2019



For and on behalf of the Board of Directors

Vishal Kampani  
 V. P. Shetty

Vishal Kampani  
 Managing Director  
 DIN - 00009079

V. P. Shetty  
 Chairman  
 DIN - 00021773

Nishit Shah  
 Nishit Shah  
 Chief Financial Officer  
 Place : Mumbai  
 Date : April 26,2019

Reena Sharda  
 Reena Sharda  
 Company Secretary

**JM FINANCIAL PRODUCTS LIMITED**  
**Standalone Statement of Changes in Equity as at March 31, 2019**

Rupees in Crore

**A. Equity share capital**

	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 period	Balance as at March 31, 2019
Equity Share Capital	544.50	-	544.50	-	544.50

**B. Other Equity**

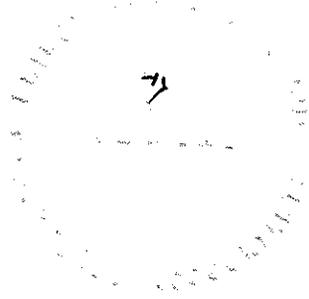
Particulars	Reserves and Surplus						Total Other Equity
	Securities Premium	Capital Redemption Reserves	General Reserves	Retained earnings/ (accumulated deficit)	Capital Reserves	Statutory Reserves	
Balance as at April 1, 2017	38.23	0.00	-	506.66	-	233.29	778.18
Profit for the year				204.30			204.30
Transfer to statutory reserves				(43.00)		43.00	-
Final /Interim dividend				(49.40)			(49.40)
Corporate dividend tax				(10.06)			(10.06)
Other comprehensive income				(0.07)			(0.07)
Balance at March 31, 2018	38.23	0.00	-	608.43	-	276.29	922.95
Profit for the year				204.30			204.30
Transfer to statutory reserves				(41.00)		41.00	-
Final /Interim dividend				(92.57)			(92.57)
Corporate dividend tax				(19.03)			(19.03)
Other comprehensive income				0.10			0.10
Balance at March 31, 2019	38.23	0.00	-	660.22	-	317.29	1,015.75

The accompanying notes form an integral part of the financial statements - note no 1 to 51

In terms of our report attached  
**For Khimji Kunverji & Co**  
Chartered Accountants

*Hasmukh B Dedhia*

**Hasmukh B Dedhia**  
Partner (C/-033494)  
Place : Mumbai  
Date : April 26, 2019



For and on behalf of the Board of Directors

*Vishal Kampani*      *V. P. Shetty*

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

*Nishit Shah*      *Reena Sharda*  
**Nishit Shah**      **Reena Sharda**  
**Chief Financial Officer**      **Company Secretary**  
Place : Mumbai  
Date : April 26, 2019

**JM FINANCIAL PRODUCTS LIMITED****Notes to the standalone financial statements****1 Corporate Information**

JM Financial Products Limited (our "Company") was originally incorporated at Mumbai, Maharashtra as a private limited company on July 10, 1984 under the provisions of the Companies Act, 1956 with registration number 33397 of 1984 and with the name "J.M. Lease Consultants Private Limited". By virtue of section 43A of the Companies Act, 1956 our Company became a deemed public company with the name "J.M Lease Consultants Limited" and received a certificate of incorporation dated July 15, 1992 from the Registrar of Companies, Mumbai, Maharashtra. Our Company further became a Private Company with effect from August 17, 2001. Subsequently, by way of a fresh certificate of incorporation dated June 10, 2005 issued by the Registrar of Companies, Mumbai, Maharashtra, our Company's name was changed to "JM Financial Products Private Limited". Our Company was converted into a public limited company with the name "JM Financial Products Limited" and received a fresh certificate of incorporation consequent to change in status on June 28, 2010 from the Registrar of Companies, Mumbai, Maharashtra. Our Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, bearing registration no. B - 13.00178 dated March 2, 1998.

JM Financial Home Loan Limited is the subsidiary company and JM Financial Limited is the ultimate parent company of the group, whose shares are listed in the recognised stock exchange in India. Company's shares are not listed in any recognised stock exchange in India. However, Company's debt securities are listed in one of the recognised stock exchange in India.

**2 Significant Accounting Policies****2.1 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 01, 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 if 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 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"



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

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.

**2.3 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.

**2.3.1 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.

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.

**2.3.2 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.

**2.3.3 Investment Income**

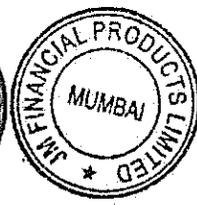
The gains/ losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost on a weighted average basis.

**2.3.4 Dividend Income**

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

**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.



**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the standalone financial statements**

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

**2.4.2 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 01, 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.



**JM FINANCIAL PRODUCTS LIMITED****Notes to the standalone financial statements****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 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 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 42.

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.

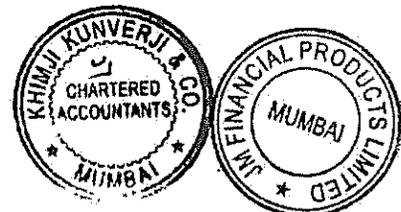
At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognizes any impact in the Statement of profit and loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee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

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, 1 April 2017



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

**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.

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

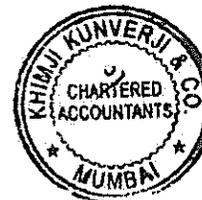
Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation 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:

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

**Property, plant and equipment**

Office Premise	- 3 Years
Leasehold improvements	- 3 Years
Computers	- 3 Years
Office equipment	- 5 Years
Furniture and fixtures	- 10 Years
Vehicles	- 5 Years



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

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

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.

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

**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.

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

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 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.

**2.12 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



**JM FINANCIAL PRODUCTS LIMITED**  
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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

**2.13 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.

**2.14 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.

**2.15 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 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.

**2.16 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);



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

• 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:

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

• 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.



**JM FINANCIAL PRODUCTS LIMITED****Notes to the standalone financial statements****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 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 or 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.

**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.



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

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 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.

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.

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.

**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 impairment 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.



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

**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.

**2.17 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.



**2.18 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.

**2.19 Standards Issued but not yet effective**

Ind AS 116 Leases was notified on 28th March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 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. The Company is in the process of assessing the impact of the new standard. 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

**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 41.

**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 is set out in the following tables and notes.



**JM FINANCIAL PRODUCTS LIMITED**

**Notes to the standalone financial statements**

**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 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 ASs 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 1 April 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.



**JM FINANCIAL PRODUCTS LIMITED**  
Notes to standalone Financial Statements

(Rupees in Crore)

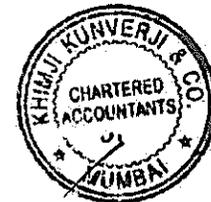
Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>5</b>	<b>Cash and cash equivalents</b>			
	Cash in hand	-	-	-
	<b>Balances with banks</b>			
	- in current accounts	87.80	10.45	14.02
	- in deposit accounts	40.00	185.30	177.75
	Cheques on hand	14.58	-	-
	<b>Total</b>	<b>142.38</b>	<b>195.75</b>	<b>191.77</b>
<b>6</b>	<b>Other balances with Banks</b>			
	Deposit Accounts under lien against which overdraft facilities are availed ( Note 6.1 )	60.05	205.50	60.00
	<b>Total</b>	<b>60.05</b>	<b>205.50</b>	<b>60.00</b>
<b>6.1</b>	Deposit accounts under lien of Rs.60.05 crore (Previous year Rs. 205.00 crore) against which overdraft facilities remained outstanding as at the year end of Rs. Nil (Previous year of Rs.Nil)			
<b>7</b>	<b>Loans</b>			
	<b>At amortised cost</b>			
(i)	Term Loans:	4,509.90	5,069.62	3,934.28
(ii)	Demand Loan	716.69	1,512.67	1,564.54
	Interest accrued	63.85	41.55	30.93
		<b>5,290.44</b>	<b>6,623.84</b>	<b>5,529.75</b>
	Less: Impairment loss allowance /EIR	(69.86)	(80.35)	(55.86)
	<b>Net</b>	<b>5,220.58</b>	<b>6,543.49</b>	<b>5,473.89</b>
	<b>Break up of loans into secured and unsecured</b>			
(i)	Secured by tangible assets	5,161.13	6,525.45	4,895.76
(ii)	Loan funds (Unsecured)	65.46	56.84	603.06
	Interest accrued	63.85	41.55	30.93
	<b>Gross</b>	<b>5,290.44</b>	<b>6,623.84</b>	<b>5,529.75</b>
	Less: Impairment loss allowance	(34.73)	(41.71)	(39.86)
	Processing fees - EIR	(35.13)	(38.64)	(16.00)
	<b>Total</b>	<b>5,220.58</b>	<b>6,543.49</b>	<b>5,473.89</b>
<b>Note :</b>	The loans are given in India to other than Public sectors			
<b>9</b>	<b>Other Financial assets</b>			
	<b>Security deposits</b>			
	To Related Parties	3.26	-	-
	To Others	0.83	0.72	8.11
	Advances to employees	0.03	0.00	0.03
	<b>Others Financial Assets</b>			
	Other receivables	32.15	87.64	1.63
	Interest accrued on deposits	0.11	0.24	0.13
	<b>Stock in Trade</b>			
	Debt instruments	49.18	-	9.86
	<b>Total</b>	<b>85.56</b>	<b>88.60</b>	<b>19.76</b>
<b>10</b>	<b>Current tax assets (net)</b>			
	Advance tax (net of provision for tax)	24.29	17.29	16.07
	<b>Total</b>	<b>24.29</b>	<b>17.29</b>	<b>16.07</b>
<b>11</b>	<b>Deferred Tax Assets (Net) ( Refer note 32.2 )</b>			
	Measurement of Financial Liabilities at Amortised Cost	(3.98)	(2.10)	(0.60)
	Impairment of Financial Instruments	13.19	17.53	8.89
	Financial assets measurement at fair value	5.58	(0.01)	1.42
	Provision on standard financial assets	11.10	9.86	9.09
	Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.76	1.76	1.21
	Difference between books and tax written down value of fixed assets	0.95	0.77	0.69
	Provision for doubtful financial assets	-	-	1.43
	<b>Total</b>	<b>28.60</b>	<b>27.81</b>	<b>22.13</b>



JM FINANCIAL PRODUCTS LIMITED					
Notes to standalone Financial Statements					
8	Investments	Rupees in crore			
		As at March 31, 2019			
		QTY	Amortised cost	At Fair Value Through profit and loss account	Total
<b>Investments</b>					
<b>Mutual Funds Units of Rs. 10/- each, Fully Paid Up</b>					
	JM High Liquid Fund - JM Liquid Fund ( Direct ) Growth Option	5036163	-	25.78	25.78
	Reliance Mutual Fund - Reliance Liquid Fund	54859	-	25.03	25.03
	Frankline Mutual Fund - Franklin India Liquid fund	268319	-	75.09	75.09
	Kotak Mutual Fund - Kotak Liquid Direct Plan Growth	264466	-	100.08	100.08
	ICICI Mutual Fund - ICICI Prudential Liquid Fund	5504703	-	152.15	152.15
<b>Preference Shares</b>					
<b>Compulsory Convertible Preference Share</b>					
	Fairassets Technologies India Private Limited - Series A3 of Rs. 5,771.13/- each	12508	-	7.22	7.22
	Fairassets Tech India Private Ltd -Series B of Rs 7,395.15/- each	406	-	0.30	0.30
	Investment Account - Fair Value		-	(0.24)	(0.24)
<b>Equity Shares</b>					
In Subsidiary (unquoted)					
	JM Financial Home Loans Ltd of Rs. 10/- each	118800000	118.80	-	118.80
<b>In Others (unquoted)</b>					
	Fairassets Technologies India Private Limited of Rs. 10/- each * *Rs 11,542/- (Previous Year Rs. 11,542/-)	2	-	0.00	0.00
<b>Security Receipts</b>					
(Unquoted)					
	Class A Security Receipts of Rs 1,000/- each fully paid up (Face value partly redeemed)	200000	-	1.68	1.68
	Class A Security Receipts of Rs 1,000/- each fully paid up Investment Account - Fair Value	535500	-	53.55 (17.62)	53.55 (17.62)
<b>Total - Gross</b>			118.80	423.02	541.82
Less: Impairment loss allowance.			-	-	-
<b>Total - Net</b>			118.80	423.02	541.82
<b>Break up of gross investments:</b>					
(i) Investments outside India					
			-	-	-
(ii) Investments in India					
			118.80	423.02	541.82
<b>Total</b>			118.80	423.02	541.82



<b>JM FINANCIAL PRODUCTS LIMITED</b>				
<b>Notes to standalone Financial Statements</b>				
Rupees in crore				
	As at March 31, 2018			
	QTY	Amortised cost	At Fair Value Through profit and loss account	Total
<b>Investments</b>				
Mutual fund units				
HDFC Mutual Fund Floating Rate Income Fund	93072	-	0.26	0.26
JM Dynamic Debt Fund fund	745132	-	2.07	2.07
Investment Account - Fair Value				-
<b>Preference Shares</b>				
<b>Compulsory Convertible Preference Share</b>				
Fairassets Technologies India Private Limited - Series A3 of Rs 5,771.13/- each	12508	-	7.22	7.22
Fairassets Tech India Private Ltd -Series B of Rs 7,395.15/- each	406	-	0.30	0.30
<b>Equity Shares</b>				
In Subsidiary (unquoted)				
JM Financial Home Loans Ltd of Rs. 10/- each	32000000	32.00		32.00
<b>In Others (unquoted)</b>				
Fairassets Technologies India Private Limited of Rs. 10/- each * *Rs 11,542/- (Previous Year Rs. 11542/-)	2	-	0.00	0.00
<b>Security Receipts</b>				
(Unquoted)				
Class A Security Receipts of Rs 1,000/- each fully paid up. (Face value partly redeemed)	200000	-	3.26	3.26
Class A Security Receipts of Rs 1,000/- each fully paid up.	535500	-	53.55	53.55
Investment Account - Fair Value			(0.03)	(0.03)
				-
<b>Total – Gross</b>		<b>32.00</b>	<b>66.63</b>	<b>98.63</b>
Less: Impairment loss allowance		-	-	-
<b>Total – Net</b>		<b>32.00</b>	<b>66.63</b>	<b>98.63</b>
<b>Break up of gross investments:</b>				
(i) Investments outside India		-	-	-
(ii) Investments in India		32.00	66.63	98.63
<b>Total</b>		<b>32.00</b>	<b>66.63</b>	<b>98.63</b>



<b>JM FINANCIAL PRODUCTS LIMITED</b>				
Notes to standalone Financial Statements				
Rupees in crore				
Particulars	QTY	As at April 01, 2017		
		Amortised cost	At Fair Value Through profit and loss account	Total
<b>Investments</b>				
<b>Preference Shares</b>				
10% Participating non-cumulative redeemable preference shares	95050000	-	95.05	95.05
Investment Account - Fair Value		-	(95.05)	(95.05)
Investment Account - Fair Value		-	88.46	88.46
<b>Debenture</b>				
In Others (unquoted)				
Compulsory Convertible Debentures				
Fairassets Technologies India Private Limited - Series A of Rs. 5,771.13 each	54918	-	7.22	7.22
<b>Equity Shares</b>				
In Subsidiary (unquoted)				
JM Financial Home Loans Ltd of Rs. 10/- each	12000000	12.00	-	12.00
<b>In Others (unquoted)</b>				
Fairassets Technologies India Private Limited of Rs. 10/- each *	2	-	0.00	0.00
*Rs 11,542/- (Previous Year Rs. 11542/-)				
<b>Security Receipts</b>				
Class A Security Receipts of Rs 1,000/- each fully paid up	200000	-	5.71	5.71
(Face value partly redeemed)				
Investment Account - Fair Value			0.50	0.50
<b>Subsidiaries</b>				
<b>Total – Gross</b>		12.00	101.89	113.89
Less: Impairment loss allowance		-	-	-
<b>Total – Net</b>		12.00	101.89	113.89
<b>Break up of gross investments:</b>				
(i) Investments outside India		-	-	-
(ii) Investments in India		12.00	101.89	113.89
<b>Total</b>		12.00	101.89	113.89



**JM FINANCIAL PRODUCTS LIMITED**  
Notes to Standalone Financial Statements

**12 Property, Plant and Equipment - As at March 31, 2019**

Rupees in Crore

	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at April 1, 2018	Charge for the year	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019
<b>Property, Plant and Equipment</b>								
Freehold Land	0.21	-	-	-	-	-	-	0.21
Leasehold improvements	1.62	2.50	-	0.89	0.68	-	1.57	2.55
Computers	1.36	0.75	0.03	0.29	0.52	0.02	0.79	1.29
Office Equipment	0.25	0.39	-	0.07	0.13	-	0.20	0.44
Furniture and fixtures	0.42	0.14	-	0.09	0.09	-	0.18	0.38
Vehicles	1.53	-	-	-	0.57	-	0.57	0.96
<b>Leased Assets</b>								
Vehicles	0.39	0.34	-	0.35	0.02	-	0.37	0.36
<b>Total Property Plant and Equipment</b>	<b>5.78</b>	<b>4.12</b>	<b>0.03</b>	<b>1.69</b>	<b>2.01</b>	<b>0.02</b>	<b>3.68</b>	<b>6.19</b>

**Intangible assets - As at March 31, 2019**

Software	2.01	0.61	-	0.54	0.54	-	1.08	1.54
<b>Total Intangible Assets</b>	<b>2.01</b>	<b>0.61</b>	<b>-</b>	<b>0.54</b>	<b>0.54</b>	<b>-</b>	<b>1.08</b>	<b>1.54</b>

**Intangible assets under development - As at March 31, 2019**

	-	-	-	-	-	-	-	0.41
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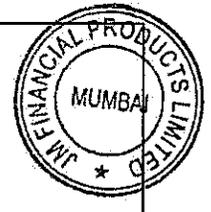


**JM FINANCIAL PRODUCTS LIMITED**  
Notes to Standalone Financial Statements

	Property, Plant and Equipment - As at March 31, 2018						Rupees in Crore	
	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2017	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	Charge for the year	As at March 31, 2018	As at March 31, 2018
Freehold Land	0.21	-	-	0.21	-	-	-	0.21
Leasehold improvements	0.81	0.83	0.02	1.62	-	0.89	0.89	0.73
Computers	0.29	1.17	0.10	1.36	-	0.30	0.29	1.07
Office Equipment	0.20	0.07	0.02	0.25	-	0.07	0.07	0.18
Furniture and fixtures	0.35	0.07	-	0.42	-	0.09	0.09	0.33
Vehicles	1.53	-	-	1.53	-	-	-	1.53
Leased Assets	0.66	-	0.27	0.39	-	0.62	0.27	0.04
Vehicles								
<b>Total</b>	<b>4.05</b>	<b>2.14</b>	<b>0.41</b>	<b>5.78</b>	<b>-</b>	<b>1.97</b>	<b>0.28</b>	<b>4.08</b>
<b>Intangible assets - As at March 31, 2018</b>								
Software	0.91	1.10	-	2.01	-	0.54	-	1.47
<b>Total Intangible Assets</b>	<b>0.91</b>	<b>1.10</b>	<b>-</b>	<b>2.01</b>	<b>-</b>	<b>0.54</b>	<b>-</b>	<b>1.47</b>
<b>Intangible assets under development - As at March 31, 2018</b>								
								<b>1.32</b>

12.1 The Company has availed the deemed cost exemption in relation to the property plant and equipment ( except freehold land ) and other intangible assets 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 note below for the gross block value and the accumulated depreciation on April 1, 2017 under the previous GAAP

Property, plant and equipment	Gross block	Accumulated depreciation	Net block
<b>Tangible Assets</b>			
Freehold Land	0.21	-	0.21
Leasehold improvements	2.44	1.63	0.81
Computer	0.75	0.46	0.29
Office equipments	0.34	0.14	0.20
Furniture and fixtures	0.52	0.17	0.35
Vehicles	1.60	0.07	1.53
Leased Assets			
Vehicles	1.55	0.89	0.66
<b>Total</b>	<b>7.41</b>	<b>3.36</b>	<b>4.05</b>
<b>Intangible Assets</b>			
Software	3.35	2.44	0.91
<b>Total</b>	<b>3.35</b>	<b>2.44</b>	<b>0.91</b>
<b>Intangible assets under development</b>			<b>0.67</b>



**JM FINANCIAL PRODUCTS LIMITED**  
Notes to standalone Financial Statements

Rupees in Crore

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>13</b>	<b>Other non-financial assets</b>			
	Capital advances	0.01	1.10	0.63
	Prepaid expenses	5.34	0.61	0.51
	Balance with statutory authorities	3.92	2.20	0.54
	<b>Total</b>	<b>9.27</b>	<b>3.91</b>	<b>1.68</b>
<b>14</b>	<b>Trade Payables</b>			
	(i) Total outstanding dues of micro and small enterprises	0.01	-	-
	(ii) Total outstanding dues of creditors other than micro and small enterprises	0.49	0.37	0.14
	<b>Total</b>	<b>0.50</b>	<b>0.37</b>	<b>0.14</b>
	<b>Particulars:</b>			
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.01	-	-
	(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	-	-	-
	(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>15</b>	<b>Debt Securities</b>			
	(At amortized cost)			
	Commercial paper	1,176.70	1,753.30	2,993.70
	Less: Unamortised interest on commercial paper	(53.47)	(37.10)	(99.54)
	Commercial Paper ( refer note no 15.1 & 15.2 )	1,123.23	1,716.20	2,894.16
	Non Convertible Debentures ( refer note no 15.3 & 15.4 )	2,367.06	2,997.13	1,218.74
	<b>Total</b>	<b>3,490.29</b>	<b>4,713.33</b>	<b>4,112.90</b>
	Debt securities in India	3,490.29	4,713.33	4,112.90
	Debt securities outside India	-	-	-
	<b>Total</b>	<b>3,490.29</b>	<b>4,713.33</b>	<b>4,112.90</b>
15.1	The maximum amount of commercial paper outstanding at any time during the year was Rs 3,859.70 crore (Rs.5,363.70 crore for FY 2017-18 & Rs 6141.70 crore for FY 2016-7).			
15.2	Interest rate of commercial paper issued during the year ranges from 7.50% to 11% p.a. (6.50% to 11.25% p.a. for FY 2017-18 & 6.40% to 12% for FY 2016-17)			
15.3	Non-Convertible Debentures are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.			
15.4	Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCDs) face value of Rs. 1,000,000/- each:			
	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	0.00% NCD redeemable in year 2017-18 *	-	-	100.00
	0.00% NCD redeemable in year 2018-19 *	-	428.00	278.00
	0.00% NCD redeemable in year 2019-20 *	264.70	264.70	64.70
	0.00% NCD redeemable in year 2020-21 *	242.10	337.10	77.10
	0.00% NCD redeemable in year 2021-22 *	264.90	228.90	-
	0.00% NCD redeemable in year 2022-23 *	110.00	-	-



**JM FINANCIAL PRODUCTS LIMITED**  
**Notes to standalone Financial Statements**

0.00% NCD redeemable in year 2019-20 ***	-	317.00	-
9.42% NCD redeemable in year 2019-20	75.00	-	-
9.55% NCD redeemable in year 2019-20***	55.00	-	-
9.55% NCD redeemable in year 2017-18	-	-	50.00
8.75% NCD redeemable in year 2017-18***	-	-	177.00
8.40% NCD redeemable in year 2018-19	-	75.00	75.00
8.81% NCD redeemable in year 2018-19	-	100.00	100.00
8.88% NCD redeemable in year 2018-19	-	15.00	15.00
8.89% NCD redeemable in year 2018-19	-	95.00	95.00
NCD redeemable in year 2017-18**	-	-	92.50
NCD redeemable in year 2018-19**	-	237.50	60.00
NCD redeemable in year 2019-20**	139.00	114.00	5.00
NCD redeemable in year 2020-21**	554.90	438.90	-
NCD redeemable in year 2021-22**	349.90	209.40	-
NCD redeemable in year 2022-23**	150.00	-	-
	<b>2,205.50</b>	<b>2,860.50</b>	<b>1,189.30</b>

\* Redeemable at premium

\*\* Market linked debentures (MLD)

\*\*\*Unsecured

Maturity profile above is disclosed at face value without considering premium / unamortized discount on issue of Rs 1.50 crore (2017-18 : Rs 2.20 crore and 2016-17 :Rs (0.15) crore) and impact of effective interest rate adjustment amounting to Rs 9.16 crore (As at March31,2018 Rs 5.16 and As at April 1,2017 Rs 1.12 crore )

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

**Term loan**

From banks & others	962.79	930.00	400.00
Processing fees - EIR	(2.24)	(0.84)	(0.61)

**Secured**

(i) from banks ( refer note no 16.1 )*	910.55	929.16	399.39
(ii) from other parties ( refer note no 16.1)	50.00	-	-

Inter Corporate Deposit	25.00	25.00	25.00
Finance lease obligations (refer note no 16.2)	0.32	0.01	0.73
Cash Credit Facility from Banks ( refer note no 16.3 )	47.26	-	-

<b>Total</b>	<b>1,033.13</b>	<b>954.17</b>	<b>425.12</b>
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**16.1 Term Loan from a Bank & Other parties :**

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

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

Residual Maturities	As at 31.03.2019		
	Upto one year ( April -2019 to March -2020	1-3 years ( April -2020 to March -2022	3 years & above ( April -2022 onwards )
8% to 9%	94.44	155.53	-
9% to 10%	219.03	470.07	23.72
	313.47	625.60	23.72

Maturity profit shown without considering effective interest rate impact amounting to Rs 2.24 crore

Residual Maturities	As at 31.03.2018		
	Upto one year ( April -2018 to March -2019	1-3 years ( April -2019 to March -2021	3 years & above ( April -2021 onwards )
8% to 9%	213.34	603.33	113.33
	213.34	603.33	113.33

Maturity profit shown without considering effective interest rate impact amounting to Rs 0.84 crore



**JM FINANCIAL PRODUCTS LIMITED**  
Notes to standalone Financial Statements

Residual Maturities	As at 01.04.2017		
	Upto one year ( April -2017 to March -2018	1-3 years ( April -2018 to March -2020	3 years & above ( April -2020 onwards )
8% to 9%	20.00	180.00	200.00
	20.00	180.00	200.00

Maturity profit shown without considering effective interest rate impact amounting to Rs 0.61 crore

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

16.3 Cash credit facility are secured by way of hypothecation on certain identified loan fund balances of the Company.

16.4 Bank overdraft facility are secured by way of lien mark on fixed deposit.

**17 Other financial liabilities**

Employee benefits payable	23.83	22.89	18.10
Other Liabilities	1.77	11.46	13.45
Directors' commission payable	0.50	2.16	1.15
<b>Total</b>	<b>26.10</b>	<b>36.51</b>	<b>32.70</b>

**18 Current tax liabilities (Net)**

Provision for tax (net of advance tax)	0.31	2.41	2.62
<b>Total</b>	<b>0.31</b>	<b>2.41</b>	<b>2.62</b>

**19 Provisions**

<b>For employee benefits</b>			
Provision for Gratuity	1.95	1.58	1.03
Provision for compensated absence	1.36	1.02	0.56
<b>Total</b>	<b>3.31</b>	<b>2.60</b>	<b>1.59</b>

**20 Other non-financial liabilities**

Statutory dues	3.14	8.29	0.88
Income received in advance	3.66	2.72	6.19
<b>Total</b>	<b>6.80</b>	<b>11.01</b>	<b>7.07</b>





**JM FINANCIAL PRODUCTS LIMITED**  
Notes to standalone Financial Statements

Rupees in crore

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>22</b>	<b>Other Equity</b>			
	<b>Retained earnings</b>			
	Balance as at the beginning of the year	608.43	506.66	526.76
	Addition/(Reduction) during the year			
	Transfer to statutory reserves	(41.00)	(43.00)	
	Final /Interim dividend	(92.57)	(49.40)	
	Corporate dividend tax	(19.03)	(10.06)	
	Other comprehensive income	0.10	(0.07)	
	Profit for the year	204.30	204.30	
	Total effect of transition to IND AS			(20.10)
	Retained earnings	660.23	608.43	506.66
	Securities premium account	38.23	38.23	38.23
	Capital Redemption Reserve*	0.00	0.00	0.00
	*Rs. 1,000/- (Previous Year Rs. 1,000/-)			
	<b>Statutory reserve</b>			
	(under section 45-1C of The Reserve Bank of India Act, 1934)			
	Opening balance	276.29	233.29	233.29
	Addition/(Reduction) during the year	41.00	43.00	-
	Statutory reserve	317.29	276.29	233.29
	<b>Total</b>	<b>1,015.75</b>	<b>922.95</b>	<b>778.18</b>

For addition and deductions under each of the above heads, refer Statement of changes in equity

**Securities premium account**

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**

The General Reserve is used from time to time to transfer profits from Retained earnings for appropriate purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of Other comprehensive income, items included in the General Reserve will not be reclassified subsequently to Profit or Loss.

**Statutory Reserve**

Statutory Reserve is the reserve created by transferring a sum not less than twenty per cent of its net profit every year in terms of Section 45-1C of the RBI Act, 1934.

**Retained earnings**

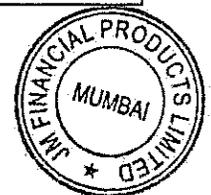
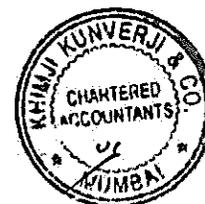
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.



**JM FINANCIAL PRODUCTS LIMITED**  
Notes to Financial Statements for the year ended 31 March 2019

Rupees in crore

Note	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>23</b>	<b>Interest income at Amortised Cost</b>		
	Interest on Loans	856.13	831.17
	<b>Total</b>	<b>856.13</b>	<b>831.17</b>
<b>24</b>	<b>Fees and commission Income</b>		
	Advisory and other fees	38.99	13.12
	<b>Total</b>	<b>38.99</b>	<b>13.12</b>
<b>25</b>	<b>Other Operating Income</b>		
	Income from trading in debt instruments (net)	7.10	5.58
	Profit on sale of investments	46.81	30.25
	<b>Total</b>	<b>53.91</b>	<b>35.83</b>
<b>26</b>	<b>Net gain/ (loss ) on fair value changes</b>		
	(A) Net gain/ (loss) on financial instruments at fair value through profit and loss account :-		
	a) On trading portfolio		
	- Investments		
	- Derivatives		
	- Others		
	b) On financial instruments designated at fair value through profit and loss account	(15.82)	0.06
	(B) Others	-	-
	-Cumulative (gain)/loss reclassified to profit or loss on sale of debt instruments at FVTOCI	-	-
	<b>Total Net gain/(loss) on fair value changes (C)</b>	<b>(15.82)</b>	<b>0.06</b>
	Fair Value changes:		
	-Realised	-	-
	-Unrealised	(15.82)	0.06
	<b>Total Net gain/(loss) on fair value changes(D) to tally with (C)</b>	<b>(15.82)</b>	<b>0.06</b>
	Fair Value changes:		
	-Financial assets mandatorily measured at FVTPL		
	-Held for trading financial liabilities		
	-Financial assets designated at FVTPL		
	-Financial liabilities designated at FVTPL		
	<b>Total Net gain/(loss) on fair value changes(E) to tally with (C)</b>	<b>(15.82)</b>	<b>0.06</b>
	*Fair value changes in this schedule are other than those arising on account of interest income/expense		
<b>27</b>	<b>Other Operating Income</b>		
	Interest on:		
	- Fixed deposits with banks	0.05	0.12
	- Others	0.00	0.55
	Finance Income notional	-	6.59
	Provision for bonus written back	-	0.14
	Provision for doubtful loans written back (net)	-	4.14
	Miscellaneous income	0.24	0.08
	Profit on Sale of Fixed Assets (net)	0.00	0.13
	Finance Income on rent deposit	0.06	0.02
	<b>Total</b>	<b>0.35</b>	<b>11.77</b>



**JM FINANCIAL PRODUCTS LIMITED**  
Notes to Financial Statements for the year ended 31 March 2019

Rupees in crore

Note	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>28</b>	<b>Finance costs</b>		
	<b>At Amortised Cost</b>		
	Debt Securities	428.09	423.11
	Borrowings (Other than Debt Securities)	93.83	61.86
	Other Interest expense	0.04	0.16
	<b>Total</b>	<b>521.96</b>	<b>485.13</b>
<b>29</b>	<b>Impairment on financial instruments</b>		
	Provision for Expected Credit Loss (Stage 1 & 2)	(5.50)	4.30
	Provision for Expected Credit Loss (Stage 3)	(1.32)	1.68
	<b>Total</b>	<b>(6.82)</b>	<b>5.98</b>
<b>30</b>	<b>Employee benefits expense</b>		
	Salaries, bonus, other allowances and benefits	50.72	37.84
	Fair Valuation of ESOP Cost - Ind AS	-	-
	Contribution to provident and other funds	1.93	1.33
	Gratuity (refer note 36)	0.69	0.56
	OCL Impact of Ind AS	0.15	(0.11)
	Staff welfare expenses	0.37	0.20
	<b>Total</b>	<b>53.86</b>	<b>39.82</b>
<b>31</b>	<b>Other expenses</b>		
	Professional and consultancy charges	7.25	9.45
	Space and other related costs	12.23	10.44
	Space and other related costs -EIR	0.07	0.02
	Net of recoveries of Rs. 0.04 crore ( Previous year Rs. 0.03 crore)		
	Rates and taxes	2.21	5.83
	Membership and subscription	0.64	0.90
	Manpower cost	1.20	0.85
	Auditors' remuneration ( refer note 31.1)	0.22	0.12
	Electricity	0.64	0.68
	Communication expenses	0.17	0.10
	Travelling and conveyance	0.90	0.71
	Insurance	0.37	0.28
	Printing and stationery	0.11	0.10
	Repairs and maintenance - others	0.83	0.64
	Loan funds written off	1.82	4.16
	Donations	6.82	6.26
	Directors' commission	0.50	2.16
	Sitting fees to directors	0.15	0.13
	Marketing Expenses	4.37	0.58
	DSA Commission	0.47	0.45
	Miscellaneous expenses	5.28	1.31
	<b>Total</b>	<b>46.25</b>	<b>45.17</b>
<b>31.1</b>	<b>Payment to Auditors*: (Excluding service tax /goods &amp; service tax)</b>		
	Audit Fees	0.08	0.08
	In any other manner (Certifications, Limited reviews, etc.)	0.14	0.04
	Out of pocket expenses *	0.00	0.00
	* Current year Rs.33,187/- (Previous year Rs.23,670/-)		
	<b>Total</b>	<b>0.22</b>	<b>0.12</b>



**JM FINANCIAL PRODUCTS LIMITED**  
Notes to Consolidated Financial Statements for the year ended 31 March 2019

**32 Income Tax**

Rupees in Crore

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Current tax	112.30	114.50
Tax adjustment in respect of earlier years	-	0.18
Deferred tax	(0.84)	(5.64)
<b>Total income tax expenses recognised in the current year</b>	<b>111.46</b>	<b>109.04</b>
Income tax expense recognised in other comprehensive income	-	-

**32.1 Reconciliation of total tax charge**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>Income tax expense for the year reconciled to the accounting profit:</b>		
Profit before tax	315.76	313.34
Income tax rate	34.94%	34.94%
Income tax expense	110.34	109.49
<b>Tax Effect of:</b>		
Effect of income that is exempt from tax	-	-
14A disallowance	-	-
Effect of expenses that are not deductible in determining taxable profits	1.22	1.09
Adjustment in respect of earlier years (net)	-	0.18
Deferred tax impact mainly in respect of fair valuation gain on freehold land, etc.	-	-
Adjustment for deemed equity on the date of transition	-	-
MAT credit entitlement	-	-
Others	(0.10)	(1.72)
<b>Income tax expense recognised in profit and loss</b>	<b>111.46</b>	<b>109.04</b>

**32.2 Deferred tax**

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**

Deferred tax asset / (liability)	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balance
Deferred Tax Assets on account of IND AS adjustment	15.38	(0.55)	-	14.83
Provision on standard financial assets	9.86	1.23	-	11.09
Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.75	0.02	-	1.77
Difference between books and tax written down value of fixed assets	0.78	0.18	-	0.96
Provision for doubtful financial assets	-	-	-	-
Employee defined benefit obligation	0.04	-	(0.09)	(0.05)
<b>Total</b>	<b>27.81</b>	<b>0.88</b>	<b>(0.09)</b>	<b>28.60</b>

**For the year ended March 31, 2018**

Deferred tax asset / (liability)	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balance
Deferred Tax Assets on account of IND AS adjustment	9.71	5.68	-	15.38
Provision on standard financial assets	9.09	0.77	-	9.86
Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.21	0.54	-	1.75
Difference between books and tax written down value of fixed assets	0.69	0.09	-	0.78
Provision for doubtful financial assets	1.43	(1.43)	-	-
Employee defined benefit obligation	-	-	0.04	0.04
<b>Total</b>	<b>22.13</b>	<b>5.64</b>	<b>0.04</b>	<b>27.81</b>



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

Rupees in Crore

	As at March 31, 2019 Rs Crore	As at March 31, 2018 Rs Crore
<b>33</b> <u>Contingent Liabilities and commitments</u>		
(a) Contingent Liabilities	5.66	-
(b) Undisbursed Commitment *	292.58	295.92
(c) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for	0.01	1.14

\*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.

**34 Earning per Share**

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit for the year (In Rs Crore)	204.30	204.30
Profit attributable to equity shareholders (In Rs Crore)	204.30	204.30
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	544,500,000	544,500,000
Basic earnings per share (Rupees)	3.75	3.75
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	544,500,000	544,500,000
Diluted earnings per share (Rupees)	3.75	3.75
Nominal value per share (Rupees)	10.00	10.00

**35 Lease Transactions**

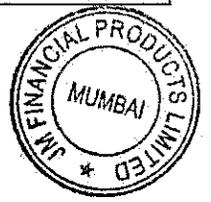
**A Operating Leases**

The Company has taken certain premises on non-cancellable operating lease basis. The tenure of such agreements ranges upto 108 months. The minimum lease rentals outstanding in respect of these are as under:

Due	Total minimum lease payments outstanding as at 31st March, 2019	Total minimum lease payments outstanding as at 31st March, 2018
Not later than one year	9.66	9.20
Later than one year and not later than five years	43.73	36.05
Later than five years	68.14	64.90
<b>Total</b>	<b>121.53</b>	<b>110.15</b>

The Company has taken certain assets (Premises and Furniture and Fixtures) on cancellable operating lease for the period of 60 months to 108 months.

Lease payments recognised in the Statement of Profit and Loss for the year are Rs. 9.20 crore (Previous year Rs.8.32 crore).



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

**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:

Due	Minimum Lease payments			Present values of Minimum Lease payments		
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Not later than one year	0.11	0.02	0.35	0.06	0.01	0.34
Later than one year and not later than five years	0.32	-	0.48	0.26	-	0.40
Later than five years	-	-	-	-	-	-
<b>Total</b>	<b>0.43</b>	<b>0.02</b>	<b>0.83</b>	<b>0.32</b>	<b>0.01</b>	<b>0.73</b>

**36 Employee Benefits:**

**Short-term employee benefits:**

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

**Defined Contribution Plan:**

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. 1.93 crore (Previous year Rs. 1.33 crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expenses.

**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.



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

**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
Discount Rate	7.55%	7.85%
Expected rate of Salary Increase	7.00%	7.00%
<b>Other Assumption</b> Mortality Rate	Lives (2012-14) Ultimate	Lives (2006-08)

b) Amount recognised in Balance sheet in respect of these defined benefit obligation:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation	1.95	1.58
Net liability	1.95	1.58

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

Particulars	As at March 31, 2019	As at March 31, 2018
Current Service Cost	0.31	0.17
Interest Cost	0.11	0.07
Past Services Cost	-	0.43
<b>Total expenses charged to Profit &amp; Loss Account</b>	<b>0.42</b>	<b>0.67</b>

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.

d) Amount recognised in Other Comprehensive Income

Particulars	As at March 31, 2019	As at March 31, 2018
Opening amount recognized in OCI outside Profit and Loss Account	(0.02)	0.09
<b>Components of defined benefits costs recognised in profit or loss.</b> Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/LOSS from change in demographic assumptions	(0.00)	
- Actuarial (gain)/loss from change in financial assumptions	0.05	(0.09)
- Actuarial (gain)/loss from change in experience adjustments	0.22	(0.03)
<b>Total amount recognised in OCI outside Profit and Loss Account</b>	<b>0.25</b>	<b>(0.02)</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	1.58	1.03
Current service cost	0.31	0.17
Past service cost		0.43
Interest cost	0.11	0.07
<b>Remeasurements (gains)/losses:</b>		
- Actuarial (gain)/loss from change in demographic assumptions	(0.00)	-
- Actuarial (gain)/loss from change in financial assumptions	0.05	(0.09)
- Actuarial (gain)/loss from change in experience adjustments	0.22	(0.03)
- Liabilities Assumed on Acquisition / (Settled on Divestiture)	0.07	0.07
<b>Benefits paid</b>	<b>(0.39)</b>	<b>(0.07)</b>
<b>Closing defined benefit obligation</b>	<b>1.95</b>	<b>1.58</b>



**JM FINANCIAL PRODUCTS LIMITED**  
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**f) 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	As at March 31, 2019		As at March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	0.08	(0.08)	0.06	(0.06)
% change compared to base due to sensitivity	4.34%	-4.00%	4.08%	-3.79%
Salary growth rate (- / +0.5%)	(0.06)	0.06	-0.04	0.04
% change compared to base due to sensitivity	-2.93%	3.15%	-2.47%	2.62%

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.

**g) Projected benefits payable:**

Particulars	As at March 31, 2019	As at March 31, 2018
Expected benefits for year 1	0.48	0.33
Expected benefits for year 2	0.07	0.18
Expected benefits for year 3	0.29	0.07
Expected benefits for year 4	0.07	0.27
Expected benefits for year 5	0.07	0.06
Expected benefits for year 6 and above	3.56	2.70

**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

**Subsidiaries**

JM Financial Home Loans Limited

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

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

**Holding Company**

JM Financial Limited

**Subsidiaries**

JM Financial Home Loans Limited

**Fellow Subsidiaries**

JM Financial Services Limited

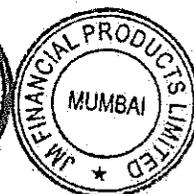
JM Financial Commtrade Limited

Astute Investments

JM Financial Properties & Holdings Limited

CR Retail Malls (India) Limited

JM Financial Investment Managers Limited (upto January 18 2018)



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

JM Financial Institutional Securities Limited (upto January 18, 2018)  
JM Financial Capital Limited  
JM Financial & Investment Consultancy Services Private Limited  
JM Financial Credit Solutions Limited  
JM Financial Asset Reconstruction Company Limited  
JM Financial Singapore Pte Ltd.  
JM Financial Securities Inc  
JM Financial Overseas Holdings Private Limited  
JM Financial Institutional Securities Limited (Formerly known as JM Financial Securities Limited)  
Infinite India Investment Management Limited  
JM Financial Asset Management Limited

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

Associates  
-

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

Mr. Vishal Kampani  
Mr. Nishit Shah  
Ms. Reena Sharda

(D) Non Executive Directors

Mr. V P Shetty  
Mr. Subodh Shinkar  
Mr. Atul Mehra

(E) Independent Directors

Mr. Dhirendra Singh  
Mr. Eknath A. Kshirsagar  
Mr. Madhukar R. Umarji  
Mrs. Roshini Bakshi

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

JSB Securities Limited

(iii) Details of transactions with related parties

Name of the related party	Nature of relationship	As at March 31, 2019 Rs Crore	As at March 31, 2018 Rs Crore
<b>JM Financial Limited</b>	(A)		
Dividend paid		91.96	49.01
Reimbursement of employees expenses		2.85	1.94
Sales of Pref shares of JM Financial Prop Holdings		-	95.05
Inter Corporate Deposit taken		-	345.00
Inter Corporate Deposit repaid		-	345.00
Interest expenses on ICD taken		-	0.19
Transfer of Gratuity Liability		0.07	-
<b>JM Financial Home Loans Limited</b>	(A)		
Inter Corporate Deposits given		71.65	-
Inter Corporate Deposits repaid		71.65	-
Interest income on Inter Corporate Deposits given		0.53	-
Investment in equity shares		86.80	20.00
Recovery of expenses		0.01	-
Sale of Fixed Assets		-	0.12



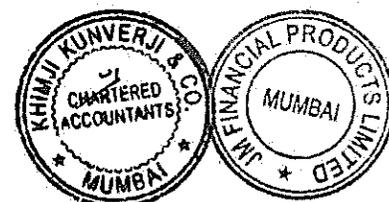
**JM FINANCIAL PRODUCTS LIMITED**  
Notes to the standalone financial statements

<b>JM Financial Services Limited</b>	(A)		
Inter Corporate Deposits given		665.00	615.00
Inter Corporate Deposits repaid		665.00	615.00
Interest income on Inter Corporate Deposits given		0.93	0.52
Issue of market linked debentures		-	68.89
Arrangers Fees / Brokerage charges		-0.08	0.08
Reimbursemen of Space Cost Paid		-0.06	-
Demat charges paid*		-	0.00
* Rs. 1500/- (previous Year Rs . 1,500/-)			
Transfer of GratuityLiability		-	0.01
<b>JM Financial Properties &amp; Holdings Limited</b>	(A)		
Inter Corporate Deposits given		147.00	13.07
Inter Corporate Deposits repaid		147.00	61.07
Interest income on Inter Corporate Deposits given		0.15	2.06
Space & other related cost paid		9.20	8.32
Reimbursement of expenses (paid)		1.34	1.52
Property Deposit given / (Refunded)		8.00	(8.00)
Security Deposits given		-	-
Closing balance as at the year end - ICD given - debit		-	-
Closing balance as at the year end - Security Deposit given - debit		8.00	-
<b>JM Financial Institutional Securities Limited</b>	(A)		
Transfer of Fixed Assets		0.01	-
Transfer of Gratuity liability received		-	0.07
Reimbursement of expenses		-	0.01
<b>Infinite India Invt M Ltd</b>	(A)		
Inter Corporate Deposits given		91.70	-
Inter Corporate Deposits repaid		91.70	-
Interest income on Inter Corporate Deposits given		2.72	-
Purchase of Debenture		83.82	-
<b>J M Financial &amp; Investment Consultancy Services Private Limited</b>	(A)		
Space cost paid		0.02	-
Property Deposit given		0.04	-
Closing balance as at the year end - Security Deposit given - debit		0.04	-
<b>JM Financial Investment Managers Limited</b>	(A)		
Inter Corporate Deposits given		-	2.85
Inter Corporate Deposits repaid		-	2.85
Interest income on Inter Corporate Deposits given		-	0.02
Reimbursement of Expenses		-	0.12
<b>Astute Investments</b>	(A)		
Recovery of rent expenses		0.03	0.03
Loan Given		94.43	311.12
Loan repaid		70.00	311.12
Interest income on loan given		2.30	0.68
Closing Balance - Inter Corporate Deposits given		24.43	-



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

<b>JM Financial Capital Limited</b>	(A)		
Transfer of Gratuity Liability		-	0.04
Transfer of Staff Loan Liability (Recd)*		-	0.00
* (Previous year - Rs 17,000)			
Inter Corporate Deposits taken		-	137.00
Inter Corporate Deposits repaid		-	137.00
Interest expenses on Inter Corporate Deposits taken		-	0.03
Inter Corporate Deposits given		75.00	349.00
Inter Corporate Deposits repaid		75.00	349.00
Interest income on Inter Corporate Deposits taken		0.46	0.36
<b>JM Financial Credit Solutions Limited</b>	(A)		
Inter Corporate Deposits taken		-	-
Inter Corporate Deposits repaid		-	-
Inter Corporate Deposits given		-	125.00
Inter Corporate Deposits repaid		-	125.00
Interest income on Inter Corporate Deposits given		-	0.19
Interest expenses on Inter Corporate Deposits taken		-	-
Transfer of gratuity liability paid		-	-
Recovery of expenses/support service charges		5.70	8.00
Closing balance as at the year end - debit		6.16	
<b>CR Retail Malls (India) Limited</b>	(A)		
Inter Corporate Deposits given		227.05	97.72
Inter Corporate Deposits repaid		214.04	67.72
Interest income on Inter Corporate Deposits given		5.75	0.92
Sale of Debentures		11.95	-
Closing balance as at the year end - debit		43.02	30.00
<b>JM Financial Assets Reconstruction Company Ltd</b>	(A)		
Inter Corporate Deposits given		25.00	200.00
Inter Corporate Deposits repaid		25.00	200.00
Interest income on Inter Corporate Deposits given		0.03	0.55
Transfer of Gratuity Liability		-	0.04
Management Fees Paid		1.26	0.42
<b>Mr. Vishal Kampani</b>	(C)		
Managerial remuneration		12.65	13.17
Purchase of Bond of Home Credit India Finance Private Limited		2.55	-
Closing Balance as at the year end - (credit)		(11.00)	(11.50)
<b>Mr V P Shetty</b>	(D)		
Director Siting fees		0.02	-
Director Commission		0.25	1.31
Closing Balance as at the year end - (credit)		0.25	1.31
<b>Mr. Atul Mehra</b>	(D)		
Director Siting fees		-	-
Director Commission		-	0.60
Closing Balance as at the year end - (credit)		-	0.60
<b>Mrs. Roshini Bakshi</b>	(E)		
Director Siting fees		0.01	0.01
Director Commission		0.05	0.05
Closing Balance as at the year end - (credit)		0.05	0.05



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

<b>Mr.Madhukar R. Umarji</b>	(E)		
Director Siting fees		0.03	0.03
Director Commission		0.07	0.07
Closing Balance as at the year end - (credit)		0.07	0.07
<b>Mr.Eknath A. Kshirsagar</b>	(E)		
Director Siting fees		0.04	0.04
Director Commission		0.08	0.08
Closing Balance as at the year end - (credit)		0.08	0.08
<b>Mr.Dhirendra Singh</b>	(E)		
Director Siting fees		0.03	0.04
Director Commission		0.07	0.07
Closing Balance as at the year end - (credit)		0.07	0.07

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

Name of the related party	Nature of relationship	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>Payables</b>				
JM Financial Properties & Holdings Limited	(A)	-	-	48.00
Astute Investments	(A)	(24.43)	-	-
JM Financial Credit Solutions Limited	(A)	(6.16)	-	0.99
CR Retail Malls (India) Limited	(A)	(43.02)	(30.00)	-
Mr. Vishal Kampani	(C)	11.00	11.50	10.00
Mr. V P Shetty	(D)	0.25	1.31	-
Atul Mehra	(D)	-	0.60	-
Mrs.Roshini Bakshi	(E)	0.05	0.05	-
Mr.Madhukar R. Umarji	(E)	0.07	0.07	-
Mr.Eknath A. Kshirsagar	(E)	0.08	0.08	-
Mr.Dhirendra Singh	(E)	0.07	0.07	-
<b>Security Deposits Receivable</b>				
JM Financial Properties & Holdings Limited	(A)	8.00	-	8.00
J M Financial & Investment Consultancy Services Private Limited	(A)	0.04	-	-

- 37.1 There are no provision for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.  
37.2 Managerial remuneration excludes provision for gratuity as the incremental liability has been accounted for by the Company as a whole.  
37.3 The transactions disclosed above are exclusive of service tax / Goods and Services Tax.  
37.4 The related party relationship are identified by management and relied upon by auditors.

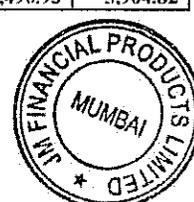
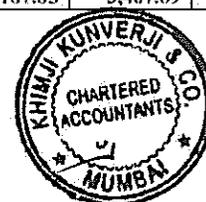


**JM FINANCIAL PRODUCTS LIMITED**  
Notes to the standalone financial statements

**38 Maturity Analysis of Assets and Liabilities**

(Rupees in Crore)

Sr No	Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>I</b>	<b>Assets</b>									
	<b>Financial Assets</b>									
<b>A</b>	Cash and cash Equivalents	142.38	-	142.38	195.75	-	195.75	191.77	-	191.77
<b>B</b>	Bank Balance other than (A) above	60.05	-	60.05	205.50	-	205.50	60.00	-	60.00
<b>C</b>	Loans	2,085.53	3,135.05	5,220.58	3,260.78	3,282.71	6,543.49	2,912.51	2,561.38	5,473.89
<b>D</b>	Investment	379.86	161.96	541.82	5.59	93.04	98.63	6.21	107.68	113.89
<b>E</b>	Other Financial Assets	81.44	4.12	85.56	87.88	0.72	88.60	11.65	8.11	19.76
	<b>Total Financial Assets</b>	<b>2,749.26</b>	<b>3,301.13</b>	<b>6,050.39</b>	<b>3,755.50</b>	<b>3,376.47</b>	<b>7,131.97</b>	<b>3,182.14</b>	<b>2,677.17</b>	<b>5,859.31</b>
<b>2</b>	<b>Non Financial Assets</b>									
<b>A</b>	Current Tax Assets (Net)	-	24.29	24.29	-	17.29	17.29	-	16.07	16.07
<b>B</b>	Deferred Tax Assets (Net)	-	28.60	28.60	-	27.81	27.81	-	22.13	22.13
<b>C</b>	Property, Plant and Equipment	-	6.19	6.19	-	4.08	4.08	-	4.05	4.05
<b>D</b>	Other Intangible Assets	-	1.54	1.54	-	1.47	1.47	-	0.91	0.91
<b>E</b>	Intangible assets under development	-	0.41	0.41	-	1.32	1.32	-	0.67	0.67
<b>F</b>	Other Non Financial Assets	4.27	5.00	9.27	3.65	0.26	3.91	1.40	0.28	1.68
	<b>Total Non Financial Assets</b>	<b>4.27</b>	<b>66.03</b>	<b>70.30</b>	<b>3.65</b>	<b>52.23</b>	<b>55.88</b>	<b>1.40</b>	<b>44.11</b>	<b>45.51</b>
	<b>Total Assets</b>	<b>2,753.53</b>	<b>3,367.16</b>	<b>6,120.69</b>	<b>3,759.15</b>	<b>3,428.70</b>	<b>7,187.85</b>	<b>3,183.54</b>	<b>2,721.28</b>	<b>5,904.82</b>
<b>Sr No</b>	<b>Particulars</b>	<b>As at March 31, 2019</b>			<b>As at March 31, 2018</b>			<b>As at April 1, 2017</b>		
		<b>Within 12 Months</b>	<b>After 12 Months</b>	<b>Total</b>	<b>Within 12 Months</b>	<b>After 12 Months</b>	<b>Total</b>	<b>Within 12 Months</b>	<b>After 12 Months</b>	<b>Total</b>
<b>1</b>	<b>Liabilities and Equity</b>									
<b>A</b>	<b>Financial Liabilities</b>									
	<b>Payables</b>									
	Trade payables									
	(i) total outstanding dues of micro enterprises and small enterprises	0.01	-	0.01	-	-	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.49	-	0.49	0.37	-	0.37	0.14	-	0.14
<b>B</b>	Debt Securities	1,826.34	1,663.95	3,490.29	2,806.29	1,907.04	4,713.33	3,344.30	768.60	4,112.90
<b>C</b>	Borrowing (Other than Debt Securities)	360.79	672.34	1,033.13	213.35	740.82	954.17	20.33	404.79	425.12
<b>D</b>	Other Financial Liabilities	26.10	-	26.10	36.51	-	36.51	32.70	-	32.70
	<b>Total Financial Liabilities</b>	<b>2,213.73</b>	<b>2,336.29</b>	<b>4,550.02</b>	<b>3,056.52</b>	<b>2,647.86</b>	<b>5,704.38</b>	<b>3,397.47</b>	<b>1,173.39</b>	<b>4,570.86</b>
<b>2</b>	<b>Non Financial Liabilities</b>									
<b>A</b>	Current Tax Liabilities (Net)	0.31	-	0.31	2.41	-	2.41	2.62	-	2.62
<b>B</b>	Provisions	1.85	1.46	3.31	1.35	1.25	2.60	0.73	0.86	1.59
<b>C</b>	Other Non Financial Liabilities	6.80	-	6.80	11.01	-	11.01	7.07	-	7.07
	<b>Total Non Financial Liabilities</b>	<b>8.96</b>	<b>1.46</b>	<b>10.42</b>	<b>14.77</b>	<b>1.25</b>	<b>16.02</b>	<b>10.42</b>	<b>0.86</b>	<b>11.28</b>
<b>3</b>	<b>Equity</b>									
<b>A</b>	Equity Share Capital	-	544.50	544.50	-	544.50	544.50	-	544.50	544.50
<b>B</b>	Other Equity	-	1,015.75	1,015.75	-	922.95	922.95	-	778.18	778.18
	<b>Total Equity</b>	<b>-</b>	<b>1,560.25</b>	<b>1,560.25</b>	<b>-</b>	<b>1,467.45</b>	<b>1,467.45</b>	<b>-</b>	<b>1,322.68</b>	<b>1,322.68</b>
	<b>Total Liabilities and Equity</b>	<b>2,222.69</b>	<b>3,898.00</b>	<b>6,120.69</b>	<b>3,071.29</b>	<b>4,116.56</b>	<b>7,187.85</b>	<b>3,407.89</b>	<b>2,496.93</b>	<b>5,904.82</b>



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

**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

Rupees in crore

Particulars	Note No	Total Comprehensive income Reconciliation Year ended March 31, 2018	Equity Reconciliation	
			As at March 31, 2018	As at April 1, 2017
Net profit / equity as per previous Indian GAAP		212.93	951.75	798.28
<b>Ind As Adjustments :</b>				
Measurement of Financial Liabilities at Amortised Cost	A	4.28	6.01	1.73
Measurement of Financial Assets at Amortised Cost	B	(22.64)	(38.64)	(16.00)
Expected Credit Loss allowance on Investments and loans	C	(2.09)	(11.53)	(9.45)
Fair Valuation of Investments in Preference Shares	D	6.60	-	(6.59)
Fair Valuation of Investments in Security Receipts	D	(0.53)	(0.02)	0.50
Fair Valuation of Investments in Mutual Funds	D	0.06	0.06	-
Reclassification of net actuarial loss on employee defined benefit obligation to Other Comprehensive Income (OCI)	E	0.11	(0.11)	
Impact of deferred tax on above adjustment	F	5.58	15.43	9.71
<b>Net profit / equity as per Ind AS</b>		<b>204.30</b>	<b>922.95</b>	<b>778.18</b>
Other comprehensive income (net of tax)		(0.07)		
<b>Total Comprehensive income / Equity as per Ind AS</b>		<b>204.23</b>	<b>922.95</b>	<b>778.18</b>

**A** 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

**B** 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.

**C** 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.

**D** Under Previous GAAP, investments were carried at cost whereas under Ind As, these are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The investments that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per the effective interest rate method. Those that do not meet these tests are measured at fair value.

**E** 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

**F** 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



**JM FINANCIAL PRODUCTS LIMITED**  
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**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. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

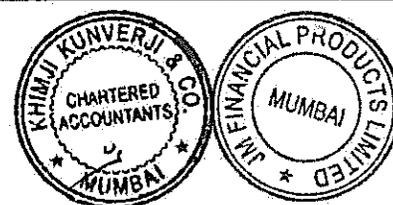
The Company monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

Borrowings	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Debt Securities	3,490.29	4,713.33	4,112.90
Borrowings (Other than Debt Securities)	1,033.13	954.17	425.12
<b>Gross Debt</b>	<b>4,523.42</b>	<b>5,667.50</b>	<b>4,538.02</b>
Less: Cash and cash Equivalents	142.38	195.75	191.77
Less: Other Bank Deposits	60.05	205.50	60.00
Less: Investment in liquid mutual fund	378.13	2.33	-
<b>Adjusted Net Debt</b>	<b>3,942.86</b>	<b>5,263.92</b>	<b>4,286.25</b>
Total Equity	1,560.25	1,467.45	1,322.68
<b>Adjusted Net Debt to equity ratio</b>	<b>2.53</b>	<b>3.59</b>	<b>3.24</b>

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, was 25.5%, as compared to the minimum capital adequacy requirement of 15.0% as stipulated by the RBI. We believe that our high capital adequacy gives us significant headroom to grow our business.

Particulars	March 31, 2019	March 31, 2018
CRAR prescribed by RBI	15.00%	15.00%
Total capital adequacy ratio		
i) Tier I	24.87%	21.26%
ii) Tier II	0.58%	0.41%



**JM FINANCIAL PRODUCTS LIMITED**  
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**41 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:

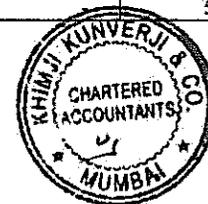
**1 Accounting classification**

(Rupees in Crore)

As at March 31, 2019	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial Assets</b>	-	-	-	-
Cash and cash Equivalents	-	-	142.38	142.38
Bank Balance other than cash and cash Equivalents	-	-	60.05	60.05
Loans	-	-	5,220.58	5,220.58
Investments	423.02	-	118.80	541.82
Other Financial Assets	-	-	85.56	85.56
<b>Total Financial Assets</b>	<b>423.02</b>	<b>-</b>	<b>5,627.37</b>	<b>6,050.39</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	4,523.42	4,523.42
Trade Payables	-	-	0.50	0.50
Other Financial Liabilities	-	-	26.10	26.10
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>4,550.02</b>	<b>4,550.02</b>

As at March 31, 2018	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial Assets</b>				
Cash and cash Equivalents	-	-	195.75	195.75
Bank Balance other than cash and cash Equivalents	-	-	205.50	205.50
Loans	-	-	6,543.49	6,543.49
Investments	66.63	-	32.00	98.63
Other Financial Assets	-	-	88.60	88.60
<b>Total Financial Assets</b>	<b>66.63</b>	<b>-</b>	<b>7,065.34</b>	<b>7,131.97</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	5,667.50	5,667.50
Trade Payables	-	-	0.37	0.37
Other Financial Liabilities	-	-	36.51	36.51
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>5,704.38</b>	<b>5,704.38</b>

As at April 1, 2017	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial Assets</b>				
Cash and cash Equivalents	-	-	191.77	191.77
Bank Balance other than cash and cash Equivalents	-	-	60.00	60.00
Loans	-	-	5,473.89	5,473.89
Investments	101.89	-	12.00	113.89
Other Financial Assets	-	-	19.76	19.76
<b>Total Financial Assets</b>	<b>101.89</b>	<b>-</b>	<b>5,757.42</b>	<b>5,859.31</b>



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

<b>Financial Liabilities</b>				
Borrowings	-	-	4,538.02	4,538.02
Trade Payables	-	-	0.14	0.14
Other Financial Liabilities	-	-	32.70	32.70
<b>Total Financial Liabilities</b>	-	-	<b>4,570.86</b>	<b>4,570.86</b>

- a. The Company considers that the carrying amounts recognised in the financial statements for loans, Debt Securities and borrowings approximate their fair values.  
b. For financial assets that are measured at fair value, except those included in point (a) above, the carrying amounts are equal to the fair values.

**2 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 group 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 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Rupees in Crore)

As at March 31, 2019	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>						
<b>Measured at FVTPL</b>						
Investments in Mutual Fund		378.13	378.13	-	-	378.13
Investments in Security Receipts		37.61	37.61	-	-	37.61
Investments in Equity Instruments		7.28	-	-	7.28	7.28
		-	-	-	-	-
<b>Total Financial Assets</b>	-	<b>423.02</b>	<b>415.74</b>	-	<b>7.28</b>	<b>423.02</b>

As at March 31, 2018	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>						
<b>Measured at FVTPL</b>						
Investments in Mutual Fund		2.33	2.33	-	-	2.33
Investments in Security Receipts		56.78	56.78	-	-	56.78
Investments in Equity Instruments		7.52	-	-	7.52	7.52
		-	-	-	-	-
<b>Total Financial Assets</b>		<b>66.63</b>	<b>59.11</b>	-	<b>7.52</b>	<b>66.63</b>

(Rupees in Crore)

As at April 1, 2017	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>						
<b>Measured at FVTPL</b>						
Investments in Security Receipts		6.21	6.21	-	-	6.21
Investments in Equity Instruments		95.68	88.46	-	7.22	95.68
		-	-	-	-	-
<b>Total Financial Assets</b>	-	<b>101.89</b>	<b>94.67</b>	-	<b>7.22</b>	<b>101.89</b>



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**Notes to the standalone financial statements**

Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognised in the financial statements are approximate their fair values.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

**Valuation techniques used to determine the fair values:**

1. Listed equity instruments and mutual funds which are fair valued using quoted prices and closing NAV in the market.
2. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates.
3. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

**3 Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the period ended March 31, 2019 and March 31, 2018.

(Rupees in Crore)	
	Debentures
As at April 01, 2017	7.22
Acquisitions	0.30
Gains / (Losses) recognised in profit or loss	-
Realisations	-
As at March 31, 2018	7.52
Acquisitions	-
Gains / (Losses) recognized	(0.24)
Realisations	-
As at March 31, 2019	7.28

**4 Sensitivity for instruments**

Nature of Instrument	Fair value As at March 31, 2019	Significant Unobservable Inputs*	Increase / Decrease in the Unobservable Input	Sensitivity Impact for the year ended March 31, 2019	
				FV Increase	FV Decrease
Debentures	-	Discount Rate	100 bps	-	-

\* There were no significant inter-relationships between unobservable inputs that materially affect fair values

**B Financial risk management**

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

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

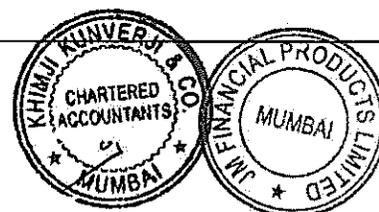
**Risk management framework**

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 defaults by our customers under loan agreements. In order to assess credit risk, a separate set of credit policies that outline a standardized structure approach for customer selection. Credit approvers and relationship managers are responsible for ensuring adherence to these policies.

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 of early delinquency cases.



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

**Collateral held as security and other credit enhancements**

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.

In order to minimise credit risk, the Credit Committee has developed and maintain the Company's credit risk gradings to categorise exposures according to their degree of risk of default.

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.

Risk and monitoring team are assisted by officers who are also responsible for the collection of installments from each customer that are serviced by them.

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

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

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.

For PD and Loss Given Default (LGD) the Company has relied upon the internal and external information.

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.

Category	March 31,2019	March 31,2018	April 1,2017
Stage 1	5,229.89	6,555.26	5,509.61
Stage 2	21.73	13.10	-
Stage 3	3.69	16.83	4.14

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



**JM FINANCIAL PRODUCTS LIMITED**  
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(Rupees in Crore)

Category	2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	6,555.26	13.10	16.83	6,585.19
New assets originated or purchased	2,163.49	-	-	2,163.49
Assets derecognised or repaid (excluding write offs)	(3,462.60)	(0.46)	(28.48)	(3,491.54)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(9.09)	9.09	-	-
Transfers to Stage 3	(17.17)	-	17.17	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	(1.83)	(1.83)
<b>Gross carrying amount closing balance</b>	<b>5,229.89</b>	<b>21.73</b>	<b>3.69</b>	<b>5,255.31</b>

Gross Carrying amount are net of EIR of Rs. 35.13 Crore but excluding ECL provision of Rs.34.73 Crores

(Rupees in Crore)

Category	2017 - 18			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	5,509.61	-	4.14	5,513.75
New assets originated or purchased	3,760.39	-	-	3,760.39
Assets derecognised or repaid (excluding write offs)	(2,684.81)	-	-	(2,684.81)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(13.10)	13.10	-	-
Transfers to Stage 3	(16.83)	-	16.83	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	(4.14)	(4.14)
<b>Gross carrying amount closing balance</b>	<b>6,555.26</b>	<b>13.10</b>	<b>16.83</b>	<b>6,585.19</b>

Gross Carrying amount are net of EIR of Rs. 38.63 Crore but excluding ECL provision of Rs.41.70 Crores

(Rupees in Crore)

Category	2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	37.26	0.20	4.24	41.70
New assets originated or purchased	15.87	-	-	15.87
Assets derecognised or repaid (excluding write offs)	(17.13)	(0.13)	(5.59)	(22.85)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(0.24)	0.24	-	-
Transfers to Stage 3	(1.72)	-	1.72	-
"Impact on year end ECL of exposures transferred between stages during the year"	-	-	-	-
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>34.04</b>	<b>0.32</b>	<b>0.37</b>	<b>34.73</b>



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

(Rupees in Crore)

Category	2017 - 18			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	35.72	-	4.14	39.86
New assets originated or purchased	22.99	-	-	22.99
Assets derecognised or repaid (excluding write offs)	(17.01)	-	-	(17.00)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(0.20)	0.20	-	-
Transfers to Stage 3	(4.24)	-	4.24	-
"Impact on year end ECL of exposures transferred between stages during the year"	-	-	-	-
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	-	-	(4.14)	(4.14)
<b>ECL allowance - closing balance</b>	<b>37.26</b>	<b>0.20</b>	<b>4.24</b>	<b>41.71</b>

**ii) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company access public funds for businesses. Liquidity may be affected due to severe liquidity crunch in the market or due to market disruptions where the Company is unable to access public funds.

However the Company believes that it has a strong financial position and business is adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity risks.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Ultimate responsibility for liquidity risk rest with the management, which has established an appropriate liquidity risk framework for the management of the Company's short term, medium-term and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by

"The Company has undrawn lines of credit of Rs. 152.74 Crore, Rs.100 Crore and Rs.200 Crore as of March 31, 2019, March 31, 2018 and April 1, 2017 respectively, from its bankers for working capital requirements.

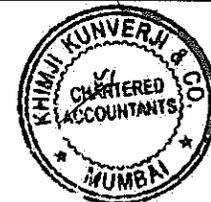
The Company has the right to draw upon these lines of credit based on its requirement and terms of draw down.

**Exposure to liquidity risk**

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

(Rupees in Crore)

March 31, 2019	Carrying Amount	0-1 Year	1-3 Years	3-5 Years	More than 5 Years
<b>Financial liabilities</b>					
Debt Securities	3,490.29	1,826.34	1,413.11	250.84	-
Borrowing (Other than Debt Securities)	1,033.13	360.79	691.09	(18.74)	-
Other Financial Liabilities	26.10	26.10	-	-	-
Trade Payable	0.50	0.50	-	-	-
<b>Total Financial Liabilities</b>	<b>4,550.02</b>	<b>2,213.73</b>	<b>2,104.20</b>	<b>232.10</b>	<b>-</b>
<b>Financial Assets</b>					
Cash and cash Equivalents	142.38	142.38	-	-	-
Bank Balance other than above	60.05	60.05	-	-	-
Loans	5,220.58	2,085.53	2,518.53	469.44	147.08
Investments	541.82	379.86	43.16	-	118.80
Other Financial Assets	85.56	81.44	-	-	4.12
<b>Total Financial Assets</b>	<b>6,050.39</b>	<b>2,749.26</b>	<b>2,561.69</b>	<b>469.44</b>	<b>270.00</b>



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

(Rupees in Crore)

March 31, 2018	Carrying Amount	0-1 Year	1-3 Years	3-5 Years	More than 5 Years
<b>Financial liabilities</b>					
Debt Securities	4,713.33	2,806.29	1,472.38	434.66	-
Borrowing (Other than Debt Securities)	954.17	213.35	611.67	129.15	-
Other Financial Liabilities	36.51	36.51	-	-	-
Trade Payable	0.37	0.37	-	-	-
<b>Total Financial Liabilities</b>	<b>5,704.38</b>	<b>3,056.52</b>	<b>2,084.05</b>	<b>563.81</b>	<b>-</b>
<b>Financial Assets</b>					
Cash and Cash Equivalents	195.75	195.75	-	-	-
Bank Balance other than above	205.50	205.50	-	-	-
Loans	6,543.49	3,260.78	2,505.14	717.35	60.22
Investments	98.63	5.59	61.04	-	32.00
Other Financial Assets	88.60	87.88	-	-	0.72
<b>Total Financial Assets</b>	<b>7,131.97</b>	<b>3,755.50</b>	<b>2,566.18</b>	<b>717.35</b>	<b>92.94</b>

(Rupees in Crore)

April 1, 2017		0-1 Year	1-3 Years	3-5 Years	More than 5 Years
<b>Financial liabilities</b>					
Debt Securities	4,112.90	3,344.30	692.70	75.90	-
Borrowing (Other than Debt Securities)	425.12	20.33	225.73	179.06	-
Other Financial Liabilities	32.70	32.70	-	-	-
Trade Payable	0.14	0.14	-	-	-
<b>Total Financial Liabilities</b>	<b>4,570.86</b>	<b>3,397.47</b>	<b>918.43</b>	<b>254.96</b>	<b>-</b>
<b>Financial Assets</b>					
Cash and Cash Equivalents	191.77	191.77	-	-	-
Bank Balance other than above	60.00	60.00	-	-	-
Loans	5,473.89	2,912.51	1,676.39	482.67	402.32
Investments	113.89	6.21	95.68	-	12.00
Other Financial Assets	19.76	11.65	-	-	8.11
<b>Total Financial Assets</b>	<b>5,859.31</b>	<b>3,182.14</b>	<b>1,772.07</b>	<b>482.67</b>	<b>422.43</b>

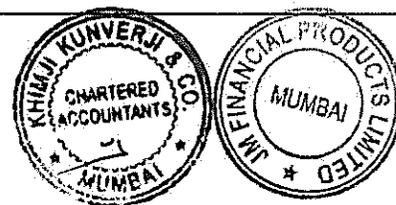
The inflows/(outflows) disclosed in the above table represent the contractual cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity

iii) **Market risk**

The Company's activities expose it primarily to the interest rates.

**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 PRODUCTS LIMITED**  
**Notes to the standalone financial statements**

**42 Employee Stock Option Scheme:**

During the current year, based on the request made by the Company, JM Financial Limited (ultimate holding company), in accordance with Securities And Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company.

Particular	As at March 31, 2019	As at March 31, 2018
Charge on account of the above scheme included in employee benefit expenses	2.83	1.94

**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:**

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

Name of the company	Relationship	Maximum Balance	Rupees Crore
			Closing Balance
JM Financial Services Limited	Fellow Subsidiary	175.00 (75.00)	-
JM Financial Investment Managers Limited (upto January 18 2018)	Fellow Subsidiary	(2.20)	-
Infinite India Investment Management Limited	Fellow Subsidiary	91.70 -	-
JM Financial Credit Solutions Limited	Fellow Subsidiary	-	-
		(125.00)	-
JM Financial Properties & Holdings Limited	Fellow Subsidiary	108.00 (54.00)	-
JM Financial Home Loans Limited	Fellow Subsidiary	25.00 -	-
Astute Investments	Fellow Subsidiary	120.00 (80.93)	24.73 -
CR Retail Malls (India) Limited	Fellow Subsidiary	206.60 (42.61)	43.02 (30)
JM Financial Capital Limited	Fellow Subsidiary	35.00 (65.00)	
JM Financial Asset Reconstruction Private Limited	Fellow Subsidiary	25.00 (100.00)	

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



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

**Exposure to interest rate risk**

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

(Rupees in Crore)

	March, 31 2019	March, 31 2018	April, 1 2017
<b>Financial assets</b>			
Fixed-rate instruments *	2,556.79	4,235.87	3,619.53
Floating-rate instruments *	2,634.67	2,307.80	1,863.29
<b>Total</b>	<b>5,191.46</b>	<b>6,543.67</b>	<b>5,482.82</b>
<b>Financial Liabilities</b>			
Fixed-rate instruments	3,346.39	4,598.74	4,107.92
Floating-rate instruments	1,007.81	929.16	399.39
<b>Total</b>	<b>4,354.20</b>	<b>5,527.90</b>	<b>4,507.31</b>

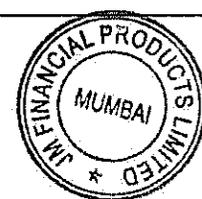
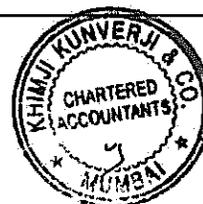
**Fair value sensitivity analysis for Floating-rate instruments**

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. A 100 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest 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:

(Rupees in Crore)

	March, 31 2019		March, 31 2018	
	100 bps higher	100 bps Lower	100 bps higher	100 bps Lower
Floating-rate borrowings	(10.08)	10.08	(9.29)	9.29
Floating-rate loans	26.35	(26.35)	23.08	(23.08)
	16.27	(16.27)	13.79	(13.79)



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

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

(As stipulated in Annexure 4 of Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15, dated November 10, 2014)

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

Particulars	Current year	Previous year
CRAR (%)	25.45%	21.67%
CRAR - Tier I capital (%)	24.87%	21.26%
CRAR - Tier II capital (%)	0.58%	0.41%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt instruments	-	-

**44.2 Exposures:**

(Rupees in Crore)

**I Exposure to Real Estate**

**a) Direct Exposure**

**(i) Residential Mortgages-**

Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lakh may be shown separately)  
Individual housing loans up to Rs. 15 lakh

8.08

118.49

1.31

1.28

**(ii) Commercial Real Estate\*-**

Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).  
Exposure would also include non-fund based (NFB) limits;

1,829.37

2,051.97

\* Also includes Commercial Real Estate exposure in Investments.

**(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures-**

**a) Residential,**

-

-

**b) Commercial Real Estate.**

-

-

**b) Indirect Exposure**

Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).

118.80

32.00

**II Exposure to Capital Market**

(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;

363.93

541.19

(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;

1,478.52

1,540.24

(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible

-

-

(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;

12.08

107.33

(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)

-

-

**Total Exposure to Capital Market**

1,854.53

2,188.76

**III Details of financing of parent company products**

Nil

Nil

**IV Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC**

Nil

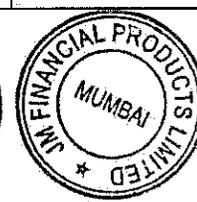
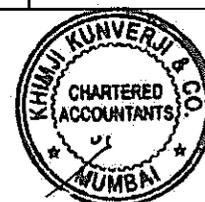
Nil

**V Unsecured Advances**

Amount of advances given against intangible securities

Nil

Nil



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

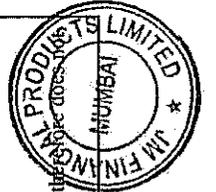
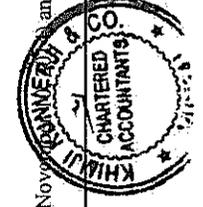
45 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

Particulars	(Rupees in crore)								
	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowing from Banks	47.26 (20.00)	16.67 (20.00)	- (20.00)	40.49 (60.00)	231.31 (93.34)	593.51 (586.67)	28.58 (129.15)	-	957.81 (929.16)
Market Borrowings	21.10 (287.20)	111.45 (406.03)	314.46 (760.92)	543.04 (673.42)	692.06 (539.13)	1,438.11 (1,472.38)	250.84 (434.66)	-	3,371.07 (4,573.74)
Foreign currency liabilities	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Assets</b>									
Advances	201.50 (532.27)	227.63 (483.66)	572.49 (222.18)	402.72 (510.72)	617.34 (1,472.07)	2,518.53 (2,505.14)	469.44 (717.35)	147.07 (58.55)	5,156.72 (6,501.94)
Deposits	- (-)	- (-)	- (-)	- (-)	- (-)	0.05 (0.09)	9.03 (0.87)	0.02 (0.02)	9.09 (0.98)
Investments	378.14 (2.33)	- (-)	- (-)	- (-)	1.73 (56.78)	35.88 (-)	- (-)	126.08 (39.52)	541.82 (98.63)
Foreign currency assets	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

Figures in brackets are for previous year

**Notes:**

- Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.
- The above assets does not include Stock-in-Trade acquired from borrowed funds.
- The above statement includes only certain items of assets and liabilities (as stipulated in Annexure 4 of Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15, dated November 10, 2014) and the complete asset liability maturity pattern of the Company.



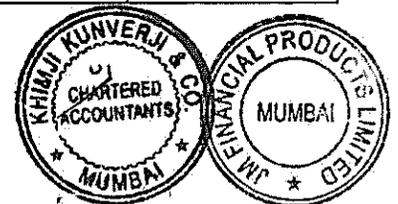
**JM FINANCIAL PRODUCTS LIMITED**  
Notes to the standalone financial statements

46 Particulars	Amount outstanding (Rupees in crore)	Amount overdue (Rupees in crore)
<b>(I) Liabilities side</b>		
<b>(I) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>		
(a) Debentures		
(i) Secured	2,309.15	-
(ii) Unsecured (other than falling within the meaning of public deposits)	(2,679.22)	(-)
(b) Deferred Credits	55.00	-
(c) Term Loans	(317.00)	(-)
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper (net of unamortised discount)	-	(-)
(f) Other Loans (Please Specify)	961.18	-
Overdraft Accounts	(929.39)	(-)
Cash Credits	27.16	-
CBLO Borrowing (net of unamortised discount)	(25.53)	(-)
Working capital demand loan	-	-
Due under finance lease	-	(-)
	0.32	-
	(0.01)	(-)
<b>(II) Assets side</b>		<b>Amount outstanding (Rupees in crore)</b>
<b>(II) Break up of Loans and Advances including bills receivables (other than those included in (IV) below):</b>		
(a) Secured		5,155.12
(b) Unsecured		(6,486.65)
		65.46
		(56.84)
<b>(III) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:</b>		
(a) Lease assets including lease rentals under sundry debtors:		
(i) Financial Lease		-
(ii) Operating Lease		(-)
(b) Stock on hire including hire charges under sundry debtors:		-
(i) Assets on hire		(-)
(ii) Repossessed Assets		-
(c) Other loans counting towards AFC activities:		-
(i) Loans where assets have been repossessed		(-)
(ii) Loans other than (a) above		-
		(-)



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

	Amount outstanding (Rupees in crore)
<b>(IV) Break-up of Investments:</b>	
<b>(a) Current Investments:</b>	
1. Quoted:	
(i) Shares:	
(a) Equity	-
(b) Preference	(-)
(ii) Debentures and Bonds	(-)
(iii) Units of Mutual Funds	378.14
(iv) Government Securities	(2.34)
(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)	(-)
Class A Security Receipts	1.73
	<b>(56.78)</b>
<b>(b) Non Current Investments</b>	
1. Quoted:	
(i) Shares:	
(a) Equity	-
(b) Preference	(-)
(ii) Debentures and Bonds	(-)
(iii) Units of Mutual Funds	-
(iv) Government Securities	(-)
(v) Others (Please Specify)	35.88
2. Unquoted:	
(i) Shares:	
(a) Equity	118.80
(b) Preference	(32.00)
(ii) Debentures and Bonds	7.28
(iii) Units of Mutual Funds	(7.52)
(iv) Government Securities	-
(v) Others (Please Specify)	-
	-
	-



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

(Rupees in Crore)

<b>(V) Borrower group – wise classification of assets financed as in (II) and (III) above:</b>			
Category	Amount net of provisions		
	Secured	Unsecured	Total
(a) Related Parties			
(i) Subsidiaries	-	-	-
	(-)	(-)	-
(ii) Companies in the same group	7.50	35.52	43.02
	(-)	(30.00)	(30.00)
(iii) Other related parties	-	24.43	24.43
	(-)	(-)	-
(b) Other than related parties	5,147.62	5.52	5,153.14
	(6,486.65)	(26.84)	(6,513.49)
	5,155.12	65.46	5,220.58
	(6,486.65)	(26.84)	(6,513.49)
Less: Provision for non-performing assets			0.37
			(1.68)
Total			5,220.21
			(6,541.80)

<b>(VI) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>			
Category		Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)
		(a) Related Parties	
(i) Subsidiaries		110.69	118.80
		(30.39)	(32.00)
(ii) Companies in the same group *		-	-
		-	-
(iii) Other related parties		-	-
		(-)	(-)
(b) Other than related parties **		423.02	423.02
		(66.63)	(66.63)
	Total	533.72	541.82
		(97.02)	(98.63)

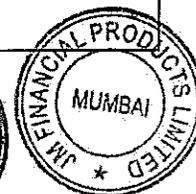
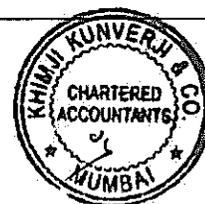
<b>(VII) Other Information:</b>		Amount
Particulars		
(a) Gross Non – Performing Assets:		
(i) Related Parties		-
		(-)
(ii) Other than related parties		3.69
		(16.83)
(b) Net Non – Performing Assets:		
(i) Related Parties		-
		(-)
(ii) Other than related parties		3.32
		(15.14)
(c) Assets acquired in satisfaction of debt		-
		(-)

(figures in brackets indicates previous year figures)

\* Non cumulative redeemable preference shares and therefore considered at cost.

\*\* cost is considered wherever fair value is not available

47 There are no restructured advances as on March 31, 2019, hence disclosure of information as required in terms of sub-Para 9 of Paragraph 27 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (issued vide Notification No. DNBR.009/CGM(CDS)-2015 dated March 27, 2015) is not warranted.



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

**48 Investments**

Particulars	Rupees in Crore	Previous year Rupees in Crore
(a) Value of Investments		
(i) Gross Value of Investments		
(a) in India	541.82	98.63
(b) outside India	-	-
(ii) Provision for depreciation		
(a) in India	-	-
(b) outside India	-	-
(iii) Net Value of Investments		
(a) in India	541.82	98.63
(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	-	-

**48.1 Additional & Miscellaneous Disclosures:**

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

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

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

Nil

Nil

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

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

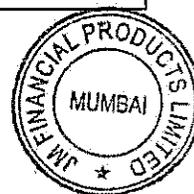
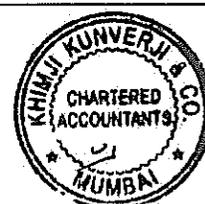
During the current year, we have obtained rating from Care ratings.

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

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

**(V) Revenue Recognition:**

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



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

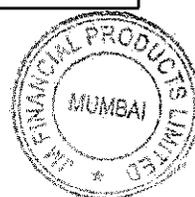
**(VI) Provisions and Contingencies**

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Rupees in crore	Previous year Rupees in crore
Provisions for depreciation on Investment	-	-
Provision towards NPA	(1.31)	1.68
Provision made towards Income tax	112.30	114.50
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	3.26	2.22

**(VII) Draw Down from Reserves** Nil Nil

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

	Rupees in crore	Previous year Rupees in crore
<b>(a) Concentration of Deposits (for deposit taking NBFCs)</b>		
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA
<b>(b) Concentration of Advances</b>		
Total advances to twenty largest borrowers (Rupees in crore)	2,767.82	3,039.32
Percentage of advances to twenty largest borrowers to total advances of the NBFC	53.31%	46.45%
<b>(c) Concentration of Exposures</b>		
Total exposure to twenty largest borrowers / customers (Rupees in crore)	2,806.14	3,050.74
Percentage of Exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	53.40%	46.62%
<b>(d) Concentration of NPAs</b>		
Total exposure to top four NPA accounts (Rupees in crore)	3.69	16.83
<b>(e) Sector-wise NPAs</b>		
Sector	Percentage of NPAs to Total Advances in that sector FY 19	Percentage of NPAs to Total Advances in that sector FY18
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	0.41%
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-
Other loans	0.86%	-



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

	Rupees in Crore	Previous year Rupees in Crore
<b>(IX) Movement of NPAs</b>		
(i) Net NPAs to Net Advances (%)	0.06%	0.23%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	16.83	4.14
(b) Additions during the year	17.18	19.91
(c) Reductions during the year	30.31	7.22
(d) Closing balance	3.69	16.83
(iii) Movement of Net NPAs		
(a) Opening balance	15.14	-
(b) Additions during the year	15.46	17.86
(c) Reductions during the year	27.28	2.72
(d) Closing balance	3.32	15.14
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1.68	4.14
(b) Provisions made during the year	8.15	2.05
(c) Write-off / write-back of excess provisions	9.46	4.51
(d) Closing balance	0.36	1.68

**(X) Disclosure of Complaints**

**Customer Complaints**

Particulars	
No. of complaints pending at the beginning of the year	Nil
No. of complaints received during the year	10
No. of complaints redressed during the year	10
No. of complaints pending at the end of the year	Nil

(XI) Disclosure in respect of derivatives, securitisation transactions, 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.

**49 Provision for Standard Assets**

To ensure that Non-Banking Financial Companies (NBFC) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a Notification No. DNBS.222/CGM(US)-2011 dated January 17, 2011, requiring all NBFCs to make a general provision at 0.40 per cent of the outstanding standard assets. The Company had in the past created provision for standard assets as per guidelines prescribed by the Board of Directors which is sufficient to comply with the aforesaid RBI notification.

	Rupees in Crore	Previous year Rupees in Crore
<b>Movement in Provision for standard assets</b>		
(a) Opening balance as at the beginning of the year	28.49	26.27
(b) Provisions made during the year	3.26	2.22
(c) Utilisation of Provisions during the year	-	-
(d) Reversal of Provisions during the year	-	-
(e) Closing balance as at the end of the year	31.75	28.49



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

- 50 Expenditure towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)
- a) Gross amount required to be spent by the Company during the year – Rs.5.82 crore (previous year, Rs. 5.26 crore)
- b) Amount spent and paid during the year by way of donations to charitable trusts– Rs. 5.82 crore (previous year, Rs. 5.26 crore)

51 Unhedged Foreign Currency Exposure

Particulars	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	<=1 Year	>1 Year	Total	<=1 Year	> Year	Total	<=1 Year
<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

Our EBID i.e. profit after tax + Depreciation + Interest on debt as of this date is Rs.722.09 crore

For and on behalf of the Board of Directors

*Vishal Kampani*

Vishal Kampani  
Managing  
Director  
DIN - 00009079

*V. P. Shetty*

V. P. Shetty  
Chairman  
DIN - 00021773



*Nishit Shah*

Nishit Shah  
Chief Financial Officer  
Place : Mumbai  
Date : April 26,2019

*Reena Sharda*

Reena Sharda  
Company Secretary

## INDEPENDENT AUDITOR'S REVIEW REPORT ON SPECIAL PURPOSE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

### TO THE BOARD OF DIRECTORS OF JM FINANCIAL HOME LOANS LIMITED

#### Introduction

1. We have reviewed the accompanying Special Purpose Unaudited Condensed Interim Financial Statements of JM Financial Home Loans Limited ("the Company"), which comprise the Special Purpose Unaudited Condensed Interim Balance Sheet as at June 30, 2019 and the related Special Purpose Unaudited Condensed Interim Statement of Profit and Loss (including other comprehensive income) for the three months ended June 30, 2019 together with selected explanatory notes thereon (together hereinafter referred to as the "Special Purpose Unaudited Condensed Interim Financial Statements"). The Special Purpose Unaudited Condensed Interim Financial Statements have been prepared by the Management of the Company on the basis stated in Note 1 to the Special Purpose Unaudited Condensed Interim Financial Statements.

#### Management's Responsibility for the Special Purpose Unaudited Condensed Interim Financial Statements

2. The Company's Board of Directors is responsible with respect to preparation and presentation of the Special Purpose Unaudited Condensed Interim Financial Statements in accordance with the basis stated in Note 1 to the Special Purpose Unaudited Condensed Interim Financial Statements for the purpose set out in paragraph 6 below. The Management's responsibility includes preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Special Purpose Unaudited Condensed Interim Financial Statements.

#### Auditors' Responsibility

3. We conducted our review of the Special Purpose Unaudited Condensed Interim Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Conclusion**

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Unaudited Condensed Interim Financial Statements have not been prepared, in all material respects, in accordance with the basis set out in Note 1 to the Special Purpose Unaudited Condensed Interim Financial Statements.

**Other matter**

5. The comparative financial information of the Company for the three months ended June 30, 2018 included in Special Purpose Unaudited Condensed Interim Financial Statements is based on the financial information prepared by the management. These comparative financial information for the three months ended June 30, 2018 have not been subjected to an audit or review and is not covered by our review report.

Our conclusion is not modified in respect of this matter.

**Restriction on use**

6. Without modifying our conclusion, we draw attention to Note 1 to the Special Purpose Unaudited Condensed Interim Financial Statements, which describes the purpose and basis of preparation. The accompanying Special Purpose Unaudited Condensed Interim Financial Statements is addressed to and provided to the Board of Directors of the Company, solely for purpose of inclusion in the offer documents to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed issue of Non Convertible Debentures by JM Products Limited (the "Holding Company"). As a result, the Special Purpose Unaudited Condensed Interim Financial Statements may not be suitable for any other purpose. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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



**G. K Subramaniam**  
Partner

(Membership No. 109839)  
UDIN: 19109839AAAACY5770

Place: Mumbai  
Date: July 11, 2019

JM FINANCIAL HOME LOANS LIMITED			
SPECIAL PURPOSE UNAUDITED CONDENSED INTERIM BALANCE SHEET			
AS AT JUNE 30, 2019			
(Rs. in lakh)			
Sr. No.	Particulars	As at	As at
		June 30, 2019	March 31, 2019
		Unaudited	Audited
<b>ASSETS</b>			
<b>1</b>	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	475.42	463.61
(b)	Bank balances other than (a) above	5.00	5.00
(c)	Loans	25,921.08	20,139.81
(d)	Other financial assets	126.93	83.66
	<b>Total Financial Assets</b>	<b>26,528.43</b>	<b>20,692.08</b>
<b>2</b>	<b>Non-financial Assets</b>		
(a)	Current tax assets (net)	10.06	10.00
(b)	Deferred tax assets (net)	6.50	6.50
(c)	Property, plant and equipment	671.00	330.51
(d)	Other intangible assets	121.23	128.80
(e)	Other non-financial assets	67.73	75.08
	<b>Total Non-Financial Assets</b>	<b>876.52</b>	<b>550.89</b>
	<b>Total Assets</b>	<b>27,404.95</b>	<b>21,242.97</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1</b>	<b>Financial Liabilities</b>		
(a)	Trade payables		
	-total outstanding dues of micro and small enterprises	-	1.52
	-total outstanding dues of creditors other than micro and small enterprises	124.63	111.91
(b)	Debt securities	6,327.33	5,875.62
(c)	Borrowings (other than debt securities)	9,259.60	3,785.97
(d)	Other financial liabilities	559.26	205.84
	<b>Total Financial Liabilities</b>	<b>16,270.82</b>	<b>9,980.86</b>
<b>2</b>	<b>Non-Financial Liabilities</b>		
(a)	Provisions	96.98	46.01
(b)	Other non-financial liabilities	41.95	34.92
	<b>Total Non-Financial Liabilities</b>	<b>138.93</b>	<b>80.93</b>
<b>3</b>	<b>EQUITY</b>		
(a)	Equity share capital	12,000.00	12,000.00
(b)	Other equity	(1,004.80)	(818.82)
	<b>Total Equity</b>	<b>10,995.20</b>	<b>11,181.18</b>
	<b>Total Liabilities and Equity</b>	<b>27,404.95</b>	<b>21,242.97</b>
Selected explanatory notes (1 to 4)			
In terms of our report attached <b>For Deloitte Haskins &amp; Sells LLP</b> Chartered Accountants Registration No. 117366W/W-100018  <b>G. K. Subramaniam</b> Partner Place : Mumbai Date : 11/7/2019		<b>For and on behalf of the Board</b>  <b>Manish Sheth</b> Managing Director & CEO DIN : 00109227 Place : Mumbai Date : 11/7/2019	

**JM Financial Home Loans Limited**

Corporate Identity Number : U65999MH2016PLC288534

**Corporate Office:** 3rd Floor, A-Wing, Suashish IT Park, Building B, C.T.S No. 68-E, Rajendra Nagar, Off. Dattapada Road, Borivali (E), Mumbai - 400 066. • Tel.: Direct - +91 22 6285 5000 • F: +91 22 6285 5099

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

[www.jmfhome loans.com](http://www.jmfhome loans.com)

<b>JM FINANCIAL HOME LOANS LIMITED</b>			
<b>SPECIAL PURPOSE UNAUDITED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED JUNE 30, 2019</b>			
(Rs. in lakh)			
Sr. No.	Particulars	For the quarter ended June 30, 2019	For the quarter ended June 30, 2018
		Unaudited	Unaudited
<b>1</b>	<b>INCOME</b>		
(a)	<b>Revenue from Operations</b>		
	Interest income	723.96	61.50
	Fee Income	32.69	23.50
(b)	Other Income	105.15	14.76
	<b>Total Income</b>	<b>861.80</b>	<b>99.76</b>
<b>2</b>	<b>EXPENSES</b>		
(a)	Finance costs	289.62	0.70
(b)	Impairment on financial instruments	40.40	3.22
(c)	Employee benefits expense	532.52	192.19
(d)	Depreciation and amortisation expense	49.99	6.77
(e)	Other expenses	134.95	49.62
	<b>Total Expenses</b>	<b>1,047.48</b>	<b>252.50</b>
<b>3</b>	<b>Loss before tax (1-2)</b>	<b>(185.68)</b>	<b>(152.74)</b>
<b>4</b>	<b>Tax expenses</b>		
	Current Tax	-	-
	Deferred tax	-	(2.19)
	<b>Total tax expenses</b>	<b>-</b>	<b>(2.19)</b>
<b>5</b>	<b>Net Loss for the period</b>	<b>(185.68)</b>	<b>(150.55)</b>
<b>6</b>	<b>Other Comprehensive Income</b>		
	Items that will not be reclassified to profit or loss		
	- Actuarial losses on post retirement benefit plans	(0.31)	-
	<b>Total Other Comprehensive Income</b>	<b>(0.31)</b>	<b>-</b>
<b>7</b>	<b>Total Comprehensive Loss</b>	<b>(185.99)</b>	<b>(150.55)</b>
	<b>Earnings Per Equity Share (EPS)</b>		
	(Face value of Rs. 10/- each)		
	Basic EPS (in Re.) (not annualised)	(0.15)	(0.47)
	Diluted EPS (in Re.) (not annualised)	(0.15)	(0.47)
	Selected explanatory notes (1 to 4)		
In terms of our report attached <b>For Deloitte Haskins &amp; Sells LLP</b> Chartered Accountants Registration No. 117366W/W-100018  <b>G. K. Subramaniam</b> Partner Place : Mumbai Date : 11/7/2019		<b>For and on behalf of the Board</b>  <b>Manish Sheth</b> Managing Director & CEO DIN : 00109227 Place : Mumbai Date : 11/7/2019	

**JM Financial Home Loans Limited**

Corporate Identity Number : U65999MH2016PLC288534

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[www.jmfhome loans.com](http://www.jmfhome loans.com)

**JM FINANCIAL HOME LOANS LIMITED****SELECTED EXPLANATORY NOTES TO THE SPECIAL PURPOSE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED JUNE 30, 2019**

- 1 This Special Purpose Unaudited Condensed Interim Financial Information as at and for the quarter ended June 30, 2019 has been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34, 'Interim Financial reporting' ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. This Condensed Unaudited Special Purpose Interim Financial Information is prepared for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed issue of Non Convertible Debentures by JM Financial Products Limited (the "Holding Company").

This Special Purpose Unaudited Condensed Interim Financial Information shall therefore not be suitable for any purpose other than as disclosed in this note.

- 2 The Company has only one business segment i.e. fund based activities which includes providing loans for purchase or construction of residential houses, loans against properties, etc.
- 3 The accounting policies adopted in preparation of these Special Purpose Unaudited Condensed Interim Financial Information as at and for the quarter ended June 30, 2019 are consistent with those followed in preparation of Company's financial statements as at and for the year ended March 31, 2019.
- 4 The figures for the quarter ended June 30, 2018 were not subject to Limited Review by the statutory auditors.

**For and on behalf of the Board**



**Manish Sheth**  
**Managing Director & CEO**  
**DIN : 00109227**

Place : Mumbai

Date : 11/7/2019

**JM Financial Home Loans Limited**

Corporate Identity Number : U65999MH2016PLC288534

**Corporate Office:** 3rd Floor, A-Wing, Suashish IT Park, Building B, C.T.S No. 68-E, Rajendra Nagar, Off. Dattapada Road, Borivali (E), Mumbai - 400 066. • Tel.: Direct - +91 22 6285 5000 • F: +91 22 6285 5099

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[www.jmflhomeloans.com](http://www.jmflhomeloans.com)

## INDEPENDENT AUDITORS' REPORT

### To The Members of JM Financial Home Loans Limited Report on the Audit of the Financial Statements

#### Opinion

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

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 31 March 2019, and its loss, total comprehensive loss, 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 Auditor's 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.



**Impairment of loans measured at amortized cost (refer note X to the financial statements)**

**Key Audit Matter Description**

As at the year end, the Company has financial assets in form of loans granted to customers Rs. 20,139.81 Lakh net of provision for expected credit loss of Rs. 134.49 Lakh. Management estimates impairment provision using collective model based approach for the loan exposure other than those subject to specific provision. We have reported this as a key audit matter because measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:

- Timely identification of the impaired loans
- Key assumptions in respect of determination of probability of defaults and loss given defaults including consideration of collateral values

**How the Key Audit Matter Was Addressed in the Audit**

The audit procedures performed by us included the following:

- Tested the design and effectiveness of internal controls implemented by the management for following:
  - Identification of credit deterioration and consequently impaired loans
  - Validation of the critical components viz. Exposure at Default (EAD), Probability of Default (PD) and Loss given default (LGD) used for the impairment provision
  - Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision
  - Completeness and accuracy of the data inputs used
- Tested the completeness and accuracy of data from underlying systems used in the model 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.
- 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 Director's report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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:

- 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 auditor's 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 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 as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 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's Registration No. 117366W/W-100018)



**G. K. Subramaniam**  
(Partner)

MUMBAI, 23<sup>rd</sup> April, 2019

(Membership No. 109839)

**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 Home Loans Limited ("the Company") as of 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

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



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

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



**G. K. Subramaniam**

(Partner)

(Membership No. 109839)

MUMBAI, 23<sup>rd</sup> April, 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 fixed assets
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme of physical verification of its fixed assets and accordingly all the fixed assets are verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c) With respect to immovable property of land which is freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deed of such immovable property is held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the company does not have inventory. Accordingly, the provisions of Clause 3(ii) of the Order are not applicable to the company.
- (iii) 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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans and making investments, as applicable. The Company has not provided any guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in this regard in the case of the Company.
- (vi) According to the information and explanations given to us, the Company is not required to maintain cost records under sub-section (1) of Section 148 of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (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, Goods and Services Tax, Customs Duty, Works Contract Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and services Tax, Customs Duty, Works Contract Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - c) There are no dues of Income-tax, Goods and Services Tax and Customs Duty as on 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 or dues to debenture holders. The Company has not taken loans or borrowings from government and financial institutions.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (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 paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the 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 188 and 177 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, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with the directors and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**G. K. Subramaniam**

(Partner)

(Membership No. 109839)

**MUMBAI**, 23<sup>rd</sup> April, 2019

**JM FINANCIAL HOME LOANS LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2019**

(Rs. in lakh)

Sr. No.	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>ASSETS</b>					
<b>1</b>	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	5	463.61	1,259.42	1,185.81
(b)	Bank balances other than (a) above	6	5.00	-	-
(c)	Loans	7	20,139.81	1,764.88	-
(d)	Other financial assets	8	83.66	27.76	14.16
	<b>Total Financial Assets</b>		<b>20,692.08</b>	<b>3,052.06</b>	<b>1,199.97</b>
<b>2</b>	<b>Non-financial Assets</b>				
(a)	Current tax assets (net)		10.00	6.95	-
(b)	Deferred tax assets (net)	9	6.50	6.50	3.17
(c)	Property, plant and equipment	10	330.51	23.31	-
(d)	Other intangible assets	11	128.80	70.99	-
(e)	Other non-financial assets	12	75.08	68.84	-
	<b>Total Non-Financial Assets</b>		<b>550.89</b>	<b>176.59</b>	<b>3.17</b>
	<b>TOTAL ASSETS</b>		<b>21,242.97</b>	<b>3,228.65</b>	<b>1,203.14</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
<b>1</b>	<b>Financial Liabilities</b>				
(a)	Trade payables				
	- total outstanding dues of micro and small enterprises	13	1.52	1.30	-
	- total outstanding dues of creditors other than micro and small enterprises	13	111.91	73.97	1.05
(b)	Debt securities	14	5,875.62	-	-
(c)	Borrowings (other than debt securities)	15	3,785.97	-	-
(d)	Other financial liabilities	16	205.84	80.25	-
	<b>Total Financial Liabilities</b>		<b>9,980.86</b>	<b>155.52</b>	<b>1.05</b>
<b>2</b>	<b>Non-Financial Liabilities</b>				
(a)	Current tax liabilities (net)		-	-	1.71
(b)	Provisions	17	46.01	18.47	-
(c)	Other non-financial liabilities	18	34.92	15.90	0.12
	<b>Total Non-Financial Liabilities</b>		<b>80.93</b>	<b>34.37</b>	<b>1.83</b>
<b>EQUITY</b>					
(a)	Equity share capital	19	12,000.00	3,200.00	1,200.00
(b)	Other equity	20	(818.82)	(161.24)	0.26
	<b>Total Equity</b>		<b>11,181.18</b>	<b>3,038.76</b>	<b>1,200.26</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>21,242.97</b>	<b>3,228.65</b>	<b>1,203.14</b>

The accompanying notes form an integral part of the financial statements

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Registration No. 117366W/W-100018

  
**G. K. Subramaniam**  
Partner

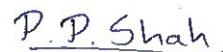
Membership No. 109839  
Place - Mumbai  
Date - April 23, 2019

For JM Financial Home Loans Limited

  
**Y. Shetty**  
Chairman  
DIN : 00021773

  
**Manish Shetty**  
Managing Director & CEO  
DIN : 00109227

  
**Rajesh Shah**  
Chief Financial Officer  
Place - Mumbai  
Date - April 23, 2019

  
**P. P. Shah**  
Priya Shah  
Company Secretary

**JM FINANCIAL HOME LOANS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(Rs. in lakh)

Sr. No.	Particulars	Note No	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
<b>1</b>	<b>INCOME</b>			
<b>(a)</b>	<b>Revenue from Operations</b>			
	Interest income	21	894.97	15.66
	Other operating income	22	106.97	36.26
	<b>Total Revenue From Operations</b>		<b>1,001.94</b>	<b>51.92</b>
<b>(b)</b>	<b>Other Income</b>	23	180.80	102.13
	<b>Total Income</b>		<b>1,182.74</b>	<b>154.05</b>
<b>2</b>	<b>EXPENSES</b>			
<b>(a)</b>	Finance costs	24	339.36	-
<b>(b)</b>	Impairment on financial instruments	25	127.31	7.18
<b>(c)</b>	Employee benefits expense	26	790.28	231.85
<b>(d)</b>	Depreciation and amortisation expense	10&11	73.26	1.97
<b>(e)</b>	Other expenses	27	509.22	77.89
	<b>Total Expenses</b>		<b>1,839.43</b>	<b>318.89</b>
<b>3</b>	<b>Loss before tax</b>		<b>(656.69)</b>	<b>(164.84)</b>
<b>4</b>	<b>Tax expenses</b>			
	Deferred tax		-	(3.33)
	<b>Total tax expenses</b>		<b>-</b>	<b>(3.33)</b>
<b>5</b>	<b>Net Loss for the year</b>		<b>(656.69)</b>	<b>(161.51)</b>
<b>6</b>	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to profit or loss			
	- Actuarial losses on post retirement benefit plans		(0.89)	-
	<b>Total Other Comprehensive Income</b>		<b>(0.89)</b>	<b>-</b>
<b>7</b>	<b>Total Comprehensive Loss</b>		<b>(657.58)</b>	<b>(161.51)</b>
<b>8</b>	<b>Earnings Per Equity Share (EPS)</b>	30		
	(Face value of Rs. 10/- each)			
	Basic EPS (in Rs.)		(1.28)	(1.25)
	Diluted EPS (in Rs.)		(1.28)	(1.25)
	The accompanying notes form an integral part of the financial statements			

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Registration No. 117366W/W-100018

  
G. K. Subramaniam

Partner  
Membership No. 109839  
Place : Mumbai  
Date : April 23, 2019

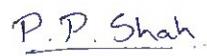
For JM Financial Home Loans Limited

  
V. P. Shetty  
Chairman  
DIN : 00021773

  
Manish Sheth

Managing Director & CEO  
DIN : 00109227

  
Rajesh Shah  
Chief Financial Officer  
Place : Mumbai  
Date : April 23, 2019

  
P. P. Shah

Priya Shah  
Company Secretary

**JM FINANCIAL HOME LOANS LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>A Cash Flow from Operating Activities</b>		
Loss before tax	(656.69)	(164.84)
<b>Adjustment for :</b>		
Depreciation	73.26	1.97
Impairment on financial instruments	127.31	7.18
Interest Income on fixed deposits with bank and others	(0.48)	(55.18)
Net realised gain on derecognition of investments carried at fair value	(30.64)	(11.89)
<b>Operating Loss Before Working Capital Changes</b>	<b>(487.24)</b>	<b>(222.76)</b>
<b>Changes in working capital</b>		
<b>Adjustment for:</b>		
(Increase) in loans	(18,502.24)	(1,772.06)
(Increase) in Other Financial Assets	(55.90)	(13.60)
(Increase) in Other Non-financial Assets	(6.24)	(68.84)
Increase in Trade Payables	38.16	74.22
Increase in Other Financial Liabilities	373.12	80.25
Increase in provisions	26.64	18.47
Increase in other non financial liabilities	19.02	14.07
<b>Cash used in operations</b>	<b>(18,594.68)</b>	<b>(1,890.24)</b>
Income taxes paid (net)	(3.05)	(6.95)
<b>Net Cash Flow Used In Operating Activities (A)</b>	<b>(18,597.73)</b>	<b>(1,897.19)</b>
<b>B Cash flow from Investing Activities</b>		
Purchase of investments in mutual fund units	(18,077.99)	(7,220.01)
Sale of investments in mutual fund units	18,108.64	7,231.89
Purchase of fixed assets	(438.27)	(96.26)
Interest received on fixed deposits with bank	0.48	55.18
<b>Net Cash Used In Investing Activities (B)</b>	<b>(407.14)</b>	<b>(29.20)</b>
<b>C Cash flow from Financing Activities</b>		
Proceeds from issue of equity share capital	8,800.00	2,000.00
Proceeds from debt securities	5,630.00	-
Proceeds from borrowing other than debt securities	10,949.06	-
Repayment of borrowings	(7,165.00)	-
<b>Net Cash Generated From Financing Activities (C)</b>	<b>18,214.06</b>	<b>2,000.00</b>
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(790.81)	73.61
Cash and cash equivalents at the beginning of the year	1,259.42	1,185.81
Cash and cash equivalents at the end of the year	<b>468.61</b>	<b>1,259.42</b>

The accompanying notes form an integral part of the financial statements

Note: The cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - "Statement of Cash Flows"

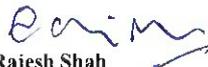
In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Registration No. 117366W/W-100018

**For JM Financial Home Loans Limited**

  
**G. K. Subramaniam**  
Partner  
Membership No. 109839  
Place : Mumbai  
Date : April 23, 2019

  
**V P Shetty**  
Chairman  
DIN : 00021773

  
**Manish Sheth**  
Managing Director & CEO  
DIN : 00109227

  
**Rajesh Shah**  
Chief Financial Officer  
Place : Mumbai  
Date : April 23, 2019

  
**P. P. Shah**  
Priya Shah  
Company Secretary

**JM FINANCIAL HOME LOANS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2019**

(Rs. in lakh)

**A. EQUITY SHARE CAPITAL**

Particulars	Balance as at April 1, 2017	Changes in equity shares during the year	Balance as at March 31, 2018	Changes in equity shares during the year	Balance as at March 31, 2019
Equity Share Capital	1,200.00	2,000.00	3,200.00	8,800.00	12,000.00

**B. OTHER EQUITY**

Particulars	Reserves and surplus
	Retained earnings
Balance as at April 1, 2017	0.26
Loss for the year	(161.51)
Balance at March 31, 2018	(161.24)
Loss for the year	(656.69)
Other comprehensive income	(0.89)
Balance at March 31, 2019	(818.82)

The accompanying notes form an integral part of the financial statements.

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

Registration No. 117366W/W-100018

**For JM Financial Home Loans Limited**

  
G. K. Subramaniam

Partner

Membership No. 109839

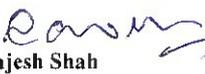
Place : Mumbai

Date : April 23, 2019

  
Y. P. Shetty

Chairman

DIN : 00021773

  
Rajesh Shah

Chief Financial Officer

Place : Mumbai

Date : April 23, 2019



Manish Sheth

Managing Director & CEO

DIN : 00109227

  
P. P. Shah

Priya Shah

Company Secretary

**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

**1 Corporate Information**

JM Financial Home Loans Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 2013. The Company was incorporated on 16/12/2016. The Company is a non-deposit taking housing finance company registered with the National Housing Bank (NHB) with effect from November 17, 2017 having registration number 11.0162.17. The Company is primarily engaged into providing loans for purchase or construction of residential houses.

**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 01, 2018, the Company has adopted 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. The Company is also in compliance with the guidelines issued by National Housing Bank.

**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, Impairment of Assets.

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 lakh 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".
- b Assets acquired under finance lease are capitalised at the inception of lease at the fair value of the assets or present value of minimum lease payments whichever is lower. These assets are fully depreciated on a straight-line basis over the lease term or its useful life whichever is shorter. (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>Tangible 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 period of lease, whichever is lower
<b>Intangible assets</b>	<b>Useful Life</b>
Computer Software	3-5 years

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

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.



### 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.

### Impairment losses on non-financial assets

As at the end of each year, the Company reviews the carrying amount of its non-financial assets i.e PPE and intangibles 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 which case they are capitalised in accordance with the Company's general policy on borrowing costs (refer note 31).

### 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 01, 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 currencies

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, and discounting that amount.

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, are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability is computed by applying the discount rate, used to measure the net defined liability, to the net defined liability 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 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.

## 2.9 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.

## 2.10 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.

#### 2.11 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.

#### 2.12 Provisions and Contingencies

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

#### 2.13 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.

#### 2.14 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.

#### 2.15 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:

- i. 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);
- ii. 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
- 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 asset 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.

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

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects or 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.

### 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.

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 impairment 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.

#### 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 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 28th March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 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. The Company is in the process of assessing the impact of the new standard.

#### 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 judgement.

The inputs used and process followed by the Company in determining the increase in credit risk have been detailed in note 38



**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 Company 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 38.

**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 is set out in the following tables and notes.

**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.

**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 an objective evidence that those estimates were in error. Ind AS estimates as at 1 April 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.



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**5 - CASH AND CASH EQUIVALENTS**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	4.89	1.14	-
Balances with Banks			
(a) In Current Accounts	457.81	332.22	10.81
(b) In Deposit Accounts (refer note below)	-	925.00	1,175.00
	<b>457.81</b>	<b>1,257.22</b>	<b>1,185.81</b>
Cheques, drafts on hand	0.91	1.06	-
<b>TOTAL</b>	<b>463.61</b>	<b>1,259.42</b>	<b>1,185.81</b>

Note: Balance with banks in deposit accounts earns interest at fixed rates and are made for period ranging from 1 day to 90 days.

**6 - OTHER BANK BALANCES**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
In Deposit Accounts with maturity of more than 3 months	5.00	-	-
<b>TOTAL</b>	<b>5.00</b>	<b>-</b>	<b>-</b>

Note : Other balances with banks earns interest at fixed rate based on short term bank deposit rates.

**7 - LOANS**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>At amortised cost</b>			
<b>Loans given in India to Other than Public Sector</b>			
Term Loans	20,274.30	1,772.06	-
<b>Gross</b>	<b>20,274.30</b>	<b>1,772.06</b>	<b>-</b>
Less: Impairment loss allowance ( refer note below)	134.49	7.18	-
<b>Net</b>	<b>20,139.81</b>	<b>1,764.88</b>	<b>-</b>
<b>7.1 - Break up of loans into secured and unsecured</b>			
Secured by tangible assets	20,274.30	1,772.06	-
Unsecured	-	-	-
<b>Gross</b>	<b>20,274.30</b>	<b>1,772.06</b>	<b>-</b>
Less: Impairment loss allowance ( refer note below)	134.49	7.18	-
<b>Net</b>	<b>20,139.81</b>	<b>1,764.88</b>	<b>-</b>

Note : Impairment allowance includes provision on undisbursed loan commitment amounting to Rs. 2.73 Lakh as at March 31, 2019, Rs. 0.38 Lakh as at March 31, 2018 and Nil as at April 1, 2017

**8 - OTHER FINANCIAL ASSETS**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits			
To Related Parties	1.80	1.80	-
To Others	38.35	23.66	-
Interest accrued but not due on bank and other deposits	0.05	0.67	14.16
Others	43.46	1.62	-
<b>TOTAL</b>	<b>83.66</b>	<b>27.76</b>	<b>14.16</b>



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**9 - DEFERRED TAX ASSET**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Impairment of Financial instruments	1.15	1.15	-
Disallowances under section 43B of the Income Tax Act, 1961	3.74	3.74	-
Preliminary expense under Section 35D of the Income Tax Act, 1961	1.98	1.98	3.17
Difference between books and tax written down value of fixed assets	(0.37)	(0.37)	-
<b>TOTAL</b>	<b>6.50</b>	<b>6.50</b>	<b>3.17</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**

Deferred tax asset / (liability)	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balance
Difference between books and tax written down value of fixed assets	(0.37)	-	-	(0.37)
Disallowances under section 43B of the Income Tax Act, 1961	3.74	-	-	3.74
Preliminary expense under Section 35D of the Income Tax Act, 1961	1.98	-	-	1.98
Impairment of Financial instruments	1.15	-	-	1.15
<b>TOTAL</b>	<b>6.50</b>	<b>-</b>	<b>-</b>	<b>6.50</b>

**For the year ended March 31, 2018**

Deferred tax asset / (liability)	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balance
Difference between books and tax written down value of fixed assets	-	(0.37)	-	(0.37)
Disallowances under section 43B of the Income Tax Act, 1961	3.17	0.57	-	3.74
Preliminary expense under Section 35D of the Income Tax Act, 1961	-	1.98	-	1.98
Impairment of Financial instruments	-	1.15	-	1.15
<b>TOTAL</b>	<b>3.17</b>	<b>3.33</b>	<b>-</b>	<b>6.50</b>

Note: In view of carry forward losses and absence of virtual certainty of realisation, deferred tax asset has not been recognised in the current financial year. Also refer note 9.1 & 9.2

**9.1 Unrecognised Deferred Tax Assets:**

(Rs. in lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Gross Amount	Unrecognised Tax effect	Gross Amount	Unrecognised Tax effect	Gross Amount	Unrecognised Tax effect
Tax losses	434.36	112.93	109.04	28.35	-	-
Unabsorbed depreciation	119.80	31.15	-	-	-	-
<b>TOTAL</b>	<b>554.16</b>	<b>144.08</b>	<b>109.04</b>	<b>28.35</b>	<b>-</b>	<b>-</b>

**9.2 Tax Losses Carried Forward**

(Rs. in lakh)

Particulars	Year Ended March 31, 2019	Expiry Date	Year Ended March 31, 2018	Expiry Date	Year Ended April 1, 2017	Expiry Date
Brought forward losses (allowed to be carried forward for specified period)	109.04	31-03-2026	109.04	31-03-2026	-	-
Brought forward losses (allowed to be carried forward for specified period)	325.32	31-03-2027	-	-	-	-
Unabsorbed Depreciation (allowed to be carried forward for infinite period)	119.80	-	-	-	-	-
<b>TOTAL</b>	<b>554.16</b>	<b>-</b>	<b>109.04</b>	<b>-</b>	<b>-</b>	<b>-</b>



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**10 - PROPERTY, PLANT & EQUIPMENT**

Particulars	Gross block				Accumulated depreciation			Net block
	As at April 1, 2018	Additions/ adjustments	Deductions/ adjustments	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions/ adjustments	As at March 31, 2019
<b>Owned Assets</b>								
Freehold land	-	6.67	-	6.67	-	-	-	6.67
Leasehold improvements	4.10	37.98	-	42.08	0.33	4.23	-	37.52
Computers	13.76	73.36	-	87.12	1.35	19.62	-	66.14
Office equipment	2.82	36.95	-	39.77	0.20	6.66	-	32.90
Furniture and fixtures	4.60	193.69	-	198.29	0.08	18.04	-	180.17
<b>Leased Assets</b>								
Vehicles	-	8.35	-	8.35	-	1.25	-	7.11
<b>TOTAL</b>	<b>25.28</b>	<b>356.99</b>	<b>-</b>	<b>382.27</b>	<b>1.97</b>	<b>49.80</b>	<b>-</b>	<b>330.51</b>

Particulars	Gross block				Accumulated depreciation			Net block
	As at April 1, 2017	Additions/ adjustments	Deductions/ adjustments	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deductions/ adjustments	As at March 31, 2018
<b>Owned Assets</b>								
Leasehold Improvements	-	4.10	-	4.10	-	0.33	-	3.77
Computers	-	13.76	-	13.76	-	1.35	-	12.40
Office Equipment	-	2.82	-	2.82	-	0.20	-	2.62
Furniture and Fixtures	-	4.60	-	4.60	-	0.08	-	4.52
<b>Leased Assets</b>								
Vehicles	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>25.28</b>	<b>-</b>	<b>25.28</b>	<b>-</b>	<b>1.97</b>	<b>-</b>	<b>23.31</b>



11. INTANGIBLE ASSETS

(Rs. in lakh)

Particulars	Gross block			Accumulated depreciation			Net block	
	As at April 1, 2018	Additions/ adjustments	Deductions/ adjustments	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions/ adjustments	As at March 31, 2019
Software	-	152.26	-	152.26	-	23.46	-	128.80
<b>TOTAL</b>	-	<b>152.26</b>	-	<b>152.26</b>	-	<b>23.46</b>	-	<b>128.80</b>

Particulars	Gross block			Accumulated depreciation			Net block	
	As at April 1, 2017	Additions/ adjustments	Deductions/ adjustments	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deductions/ adjustments	As at March 31, 2018
Software	-	-	-	-	-	-	-	70.99
<b>TOTAL</b>	-	-	-	-	-	-	-	<b>70.99</b>



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**12 - OTHER NON - FINANCIAL ASSETS**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital advances	15.42	59.60	-
Prepaid expenses	11.05	1.82	-
Balances with government authorities etc.	48.61	7.42	-
<b>TOTAL</b>	<b>75.08</b>	<b>68.84</b>	<b>-</b>

**13 - TRADE PAYABLES**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade Payables :			
Total outstanding dues of micro enterprises and small enterprises (refer note below)	1.52	1.30	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	111.91	73.97	1.05
<b>TOTAL</b>	<b>113.43</b>	<b>75.27</b>	<b>1.05</b>

**Note: Disclosure pertaining to Micro and Small Enterprises are as under :**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.52	1.30	-
(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	-	-	-

**14 - DEBT SECURITIES**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(Within India) (At amortized cost) (Secured)			
Non Convertible Debentures (refer note 14.1 & 14.2)	5,875.62	-	-
<b>TOTAL</b>	<b>5,875.62</b>	<b>-</b>	<b>-</b>

14.1 Non-convertible debentures are secured by way of first charge on freehold land (proportionately) and secured through a pari-passu charge on the receivables of the Company.

**14.2 Maturity profile and rate of interest of Non-convertible debentures**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Private Placement - Face value of Rs.10,00,000 each</b>			
10% NCD redeemable in the year 2021-22	2,500.00	-	-
10.10% NCD redeemable in the year 2024-25	630.00	-	-
9.50 % NCD redeemable in the year 2028-29	2,500.00	-	-
<b>TOTAL</b>	<b>5,630.00</b>	<b>-</b>	<b>-</b>
Interest accrued but not due on NCD	270.02	-	-
<b>TOTAL (refer note below)</b>	<b>5,900.02</b>	<b>-</b>	<b>-</b>

Note: Maturity profile above is disclosed at face value which excludes the impact of effective interest rate adjustment amounting to Rs. 24.39 lakhs.



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**15 - BORROWINGS**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(Within India)			
At Amortized Cost			
Term loans :			
-From banks - Secured (refer note 15.1 & 15.2)	3,501.92	-	-
Overdraft facilities from banks	284.06	-	-
<b>TOTAL</b>	<b>3,785.97</b>	<b>-</b>	<b>-</b>

15.1 Term loans are secured by way of first ranking pari passu charge over receivables of the company

15.2 Maturity profile and rate of interest of term loans:

(Rs. in lakh)

Residual Maturities	As at March 31, 2019		
	Up to one year	1-3 years	3 years & above
	(April 2019 to March 2020)	(April 2020 to March 2022)	(April 2022 onwards)
9.00 % to 10.00%	700.00	1,400.00	1,400.00
<b>TOTAL</b>	<b>700.00</b>	<b>1,400.00</b>	<b>1,400.00</b>

**16 - OTHER FINANCIAL LIABILITIES**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Employee benefits payable	96.64	80.24	-
Car lease obligation	7.48	-	-
Advance from customers	101.73	0.01	-
<b>TOTAL</b>	<b>205.84</b>	<b>80.25</b>	<b>-</b>

**17 - PROVISIONS**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For employee benefits:			
Gratuity (refer note 34)	13.19	4.65	-
Compensated absence	32.82	13.83	-
<b>TOTAL</b>	<b>46.01</b>	<b>18.47</b>	<b>-</b>

**18 - OTHER NON - FINANCIAL LIABILITIES**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory Dues	34.92	15.90	0.12
<b>TOTAL</b>	<b>34.92</b>	<b>15.90</b>	<b>0.12</b>



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**19 - SHARE CAPITAL.**

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Authorised</b> 15,00,00,000 (F.Y. 2018 - 3,20,00,000, F.Y. 2017 - 1,20,00,000) Equity shares of Rs.10/- each	15,000.00	3,200.00	1,200.00
<b>TOTAL</b>	<b>15,000.00</b>	<b>3,200.00</b>	<b>1,200.00</b>
<b>Issued, Subscribed and Paid-up</b> 12,00,00,000 (F.Y. 2018 - 3,20,00,000, F.Y. 2017 - 1,20,00,000) Equity shares of Rs.10/- each fully paid up	12,000.00	3,200.00	1,200.00
<b>TOTAL</b>	<b>12,000.00</b>	<b>3,200.00</b>	<b>1,200.00</b>

The Company has only one class of equity shares. The shareholders are entitled to one vote per share, dividend as and when declared by the Board of Directors and shareholders and residual assets, if any, after payment of all liabilities, in the event of liquidation of the company.

Reconciliation of number of shares:	As at March 31, 2019	As at March 31, 2018
At the beginning of the year	3,20,00,000	1,20,00,000
Add: Issued during the year	8,80,00,000	2,00,00,000
<b>At the end of the year</b>	<b>12,00,00,000</b>	<b>3,20,00,000</b>

**Details of Shareholding in excess of 5%:**

Name of the shareholders	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of holding	Number of shares	% of holding
JM Financial Products Limited (18 shares jointly held with certain individuals)	11,88,00,000	99%	3,20,00,000	100%
Others	12,00,000	1%	-	-
<b>TOTAL</b>	<b>12,00,00,000</b>	<b>100%</b>	<b>3,20,00,000</b>	<b>100%</b>

Note: The Company is in the process of filing return of allotment of shares issued during the year.

**20 - OTHER EQUITY**

Particulars	Reserves and surplus
	Retained earnings
<b>Balance as at April 1, 2017</b>	0.26
Loss for the year	(161.51)
<b>Balance at March 31, 2018</b>	<b>(161.24)</b>
Loss for the year	(656.69)
Other comprehensive income	(0.89)
<b>Balance at March 31, 2019</b>	<b>(818.82)</b>

**Retained earnings:**

Retained earnings represents net loss made by the Company till date.



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**21- INTEREST INCOME**

(Rs. in lakh)

Particulars	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
Interest on financial assets measured at amortised cost	894.97	15.66
<b>TOTAL</b>	<b>894.97</b>	<b>15.66</b>

**22. OTHER OPERATING REVENUE**

(Rs. in lakh)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Processing fees	106.97	36.26
<b>TOTAL</b>	<b>106.97</b>	<b>36.26</b>

**23 - OTHER INCOME**

(Rs. in lakh)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Net realised gain on derecognition of investments carried at fair value	30.64	11.89
Interest income	0.48	55.18
Promotional services income	142.80	35.00
Miscellaneous income	6.88	0.06
<b>TOTAL</b>	<b>180.80</b>	<b>102.13</b>

**24 - FINANCE COSTS**

(Rs. in lakh)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
<b>On financial liabilities measured at amortised cost</b>		
Debt Securities	272.34	-
Borrowings (other than debt securities)	55.20	-
Interest on bank overdraft	5.51	-
Other Interest expense	6.31	-
<b>TOTAL</b>	<b>339.36</b>	<b>-</b>

**25 - IMPAIRMENT ON FINANCIAL INSTRUMENTS**

(Rs. in lakh)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
<b>On Financial instruments measured at Amortised Cost</b>		
Provision for expected credit loss	127.31	7.18
<b>TOTAL</b>	<b>127.31</b>	<b>7.18</b>

**26 - EMPLOYEE BENEFITS**

(Rs. in lakh)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Salaries and wages including bonus	736.93	222.96
Contribution to provident and other funds	37.67	6.97
Staff welfare expenses	8.02	1.22
Gratuity (refer note 34)	7.65	0.70
<b>TOTAL</b>	<b>790.28</b>	<b>231.85</b>



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**27 - OTHER EXPENSES**

(Rs. in lakh)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Legal & professional fees	166.66	36.20
Rates and taxes	132.18	21.70
Rent expenses	73.74	3.98
Travelling, hotel and conveyance expenses	19.75	2.73
Repairs & maintenance	19.11	0.78
Security and manpower expense	15.81	-
Office expenses	12.60	0.89
Printing and stationery	12.48	3.84
Insurance expenses	12.10	1.46
Electricity expenses	9.14	0.28
Communication expenses	7.05	1.46
Motor car expenses	6.16	-
Brokerage & commission	5.51	0.82
Auditors' remuneration (refer note - 29 )	5.15	1.18
Advertisement and other related expenses	2.63	0.38
Membership & Subscriptions	1.34	1.00
Miscellaneous expenses	7.82	1.19
<b>TOTAL</b>	<b>509.22</b>	<b>77.89</b>

**28 - CONTINGENT LIABILITIES AND COMMITMENTS**

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Contingent liabilities	-	-	-
Commitments			
<b>1. Capital Commitments</b>			
Estimated amount of contracts remaining to be executed on capital account and not provided for	9.03	139.38	-
<b>2. Other Commitments:</b>			
Commitments related to loans sanction but undrawn	2,352.69	1,433.04	-
Commitments related to loans sanction but partially undrawn	1,039.56	232.41	-
<b>TOTAL</b>	<b>3,401.28</b>	<b>1,804.83</b>	-

**29 - AUDITOR'S REMUNERATION (INCLUDING GOODS AND SERVICE TAX TO THE EXTENT OF CREDIT NOT AVAILED)**

(Rs. in lakh)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Audit fees	3.89	1.18
In any other manner (certifications, limited reviews, etc.)	1.23	-
Out of pocket expense	0.03	-
<b>TOTAL</b>	<b>5.15</b>	<b>1.18</b>



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**30 - EARNING PER SHARE (EPS)**

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

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
<b>Calculated as follows:</b>		
(a) Loss attributable to equity share holders (Rs in Lakh)	(656.69)	(161.51)
(b) Weighted Number of equity shares outstanding during the year for calculating basic and diluted earnings per share (Nos)	5,12,10,959	1,28,76,712
(c) Basic and Diluted EPS (Rs.)	(1.28)	(1.25)
(d) Nominal value per share (Rs.)	10.00	10.00

**31 - LEASE TRANSACTION**

**A) Operating lease**

(Rs. in lakh)

The company has taken certain premises on non-cancellable lease basis. The agreements are executed for periods ranging from 33 to 60 months with a non-cancellable period at the beginning of the agreement ranging from 12 to 24 months and having a renewable clause.

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

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Not later than one year	2.95	6.02	-
Later than one year and not later than five years	-	2.60	-
Later than five years	-	-	-
<b>TOTAL</b>	<b>2.95</b>	<b>8.62</b>	<b>-</b>

Lease payments recognised in the Statement of profit and loss for the current year is Rs. 73.74 Lakh ( Previous year Rs. 3.98 Lakh) (including Goods and Service Tax to the extent of credit not availed).

**B) Finance lease**

(Rs. in lakh)

The company has taken a vehicle on finance lease for a period of 60 months. The company's obligation under finance lease is secured by the minimum lease rentals outstanding as at the year end as under:

Particulars	Total Minimum lease payment outstanding as at March 31, 2019	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2019
Not later than one year	2.49	1.14	1.35
Later than one year and not later than five years	8.08	1.94	6.14
Later than five years	-	-	-
<b>TOTAL</b>	<b>10.57</b>	<b>3.08</b>	<b>7.49</b>

The Company has option to purchase the vehicle for a nominal amount - Rs. 0.60 lakh at the end of lease term.



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**32 - SEGMENTAL REPORTING**

The Company is primarily engaged into business of providing loans for purchase or construction of residential houses. Hence it has only one reportable segment as per Indian Accounting Standard 108 "Operating Segments". The company has its operations within India and all revenues are generated within India.

**33 - ESOP**

During the current year, based on the request made by the Company, JM Financial Limited (ultimate holding company), in accordance with Securities And Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company.

April 12, 2018 19,848 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)
12th April 2019	Series - XI	6,616	Vested	Seven years from the date of Grant	1
12th April 2020	Series - XI	6,616	Unvested	Seven years from the date of Grant	1
12th April 2021	Series - XI	6,616	Unvested	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	-	-
Granted during the year	19,848	-
Transfer in during the year	-	-
Transfer out during the year	-	-
Lapsed/ forfeited during the year	2,205	-
Exercised during the year	-	-
Outstanding at the end of the year	17,643	-
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense aggregating Rs.13.62 lakhs (Previous year nil). Since the options are granted by JM Financial Limited (the ultimate holding company), basic and diluted earnings per share of the Company would remain unchanged.



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**34 - 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. 34 Lakh (2018: Rs 7 Lakh; 2017: Rs.Nil ) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense

**Defined benefit obligation**

The 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 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% p.a.	7.85% p.a.	-
Expected rate of salary escalation	7.00% p.a.	7.00% p.a.	-
Mortality rate	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2006-08	

**b) Amount recognised in balance sheet in respect of these defined benefit obligation**

(Rs. in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended April 01, 2017
Present value of defined benefit obligation	13.19	4.65	-
Fair value of plan assets	-	-	-
<b>Net liability</b>	<b>13.19</b>	<b>4.65</b>	<b>-</b>



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

(Rs. in lakh)

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
Current service cost	7.28	0.70
Past service cost	-	-
Net interest cost	0.37	-
<b>Components of defined benefits costs recognised in profit or loss.</b>	<b>7.65</b>	<b>0.70</b>
Remeasurements on the net defined benefit liability :		
- Actuarial (gain) from change in demographic assumptions	(0.00)#	-
- Actuarial loss from change in financial assumptions	0.57	-
- Actuarial loss from change in experience adjustments	0.33	-
<b>Total amount recognised in other comprehensive income</b>	<b>0.89</b>	<b>-</b>
<b>TOTAL</b>	<b>8.54</b>	<b>0.70</b>

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

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

(Rs. in lakh)

Particulars	For the year ended	For the year ended	For the year ended
	March 31 2019	March 31 2018	April 01, 2017
Opening defined benefit obligation	4.65	-	-
Current service cost	7.28	0.70	-
Past service cost	-	-	-
Interest cost	0.36	-	-
<b>Remeasurements (gains)/losses:</b>			
- Actuarial (gain)/loss from change in demographic assumptions	(0.00)#	-	-
- Actuarial (gain)/loss from change in financial assumptions	0.57	-	-
- Actuarial (gain)/loss from change in experience adjustments	0.33	-	-
Liabilities assumed *	-	3.94	-
Benefits paid	-	-	-
<b>Closing defined benefit obligation</b>	<b>13.19</b>	<b>4.65</b>	<b>-</b>

\*On account of business combination or inter group transfer

# Denotes amount less than Rs. 500

e) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. 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 is as follows :

Particulars	March 31, 2019		March 31, 2018		April 01, 2017	
	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.50%)	14.22	12.25	4.99	4.33	-	-
% change compared to base due to sensitivity	7.80%	-7.08%	7.48%	-6.83%	-	-
Salary growth rate (- / 0.50%)	12.25	14.22	4.32	4.99	-	-
% change compared to base due to sensitivity	-7.14%	7.80%	-6.92%	7.51%	-	-

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.



**Projected benefits payable :**

(Rs. in lakh)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Expected benefits for year 1	0.03	0.01
Expected benefits for year 2	0.19	0.01
Expected benefits for year 3	0.25	0.11
Expected benefits for year 4	0.61	0.14
Expected benefits for year 5	0.80	0.29
Expected benefits for year 6	0.75	0.28
Expected benefits for year 7	0.74	0.25
Expected benefits for year 8	0.75	0.25
Expected benefits for year 9	0.76	0.26
Expected benefits for year 10 and above	44.96	15.56

The weighted average duration of the payment of these cash flows is 14.85 years (FY 2017-18 - 14.29 years)



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**35. RELATED PARTY DISCLOSURE**

**Names of Related Parties and description of Relationship**

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

**Ultimate Holding Company**

JM Financial Limited

**Holding Company**

JM Financial Products Limited

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

**(a) Ultimate Holding Company**

JM Financial Limited

**(b) Holding Company**

JM Financial Products Limited

**(c) Fellow Subsidiaries**

JM Financial Asset Management Limited

JM Financial Services Limited

JM Financial Properties and Holdings Limited

JM Financial Asset Reconstruction Company Limited

**(d) Enterprise over which any person described in point (f) below is able to exercise significant influence**

J.M. Financial and Investment Consultancy Services Private Limited

**(e) Key Management Personnel**

Mr. Manish Sheth

**(f) 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

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

(Rs. in lakh)

Name of the related party	Nature of relationship	March 31, 2019	March 31, 2018
<b>JM Financial Limited</b>			
Reimbursement of Expenses	(ii) (a)	0.62	0.38
Reimbursement of ESOP Expenses		13.63	-
<b>JM Financial Products Limited</b>			
Inter Corporate Deposits taken		7,165.00	-
Inter Corporate Deposits repaid		7,165.00	-
Interest expenses on inter corporate deposits taken	(ii) (b)	53.28	-
Subscription to Right Shares		8,680.00	200.00
Space Cost reimbursed		1.23	-
Transfer of Fixed Assets from the related party		-	12.25
<b>JM Financial Asset Management Limited</b>			
Rent paid	(ii) (c)	0.65	0.60
<b>JM Financial Services Private Limited</b>			
Transfer of Fixed Assets to the related party	(ii) (c)	1.48	-
Referral fees		12.50	-
Space Cost reimbursed		0.99	-
<b>JM Financial Properties and Holdings Limited</b>			
Employee related Transfers	(ii) (c)	-	3.94
<b>JM Financial Asset Reconstruction Company Limited</b>			
Inter Corporate Deposits Placed	(ii) (c)	-	600.00
Inter Corporate Deposits Repaid		-	600.00
Interest Received		-	0.38
<b>J.M. Financial and Investment Consultancy Services Private Limited</b>			
Rent Paid	(ii) (d)	4.39	1.44
Security Deposit		-	1.80
<b>Manish Sheth</b>			
Subscription to Equity Shares issued on Private Placement	(ii) (e)	120.00	-



(iv) Balances of related parties:

(Rs. in lakh)

Name of the related party	Nature of relationship	March 31, 2019	March 31, 2018	April 1, 2017
<b>Payables</b>				
JM Financial Limited	(ii) (a)	-	0.41	-
<b>Security Deposits Given</b>				
J M Financial and Investment Consultancy Services Private Limited	(ii) (d)	1.80	1.80	-

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

35.2 The transactions disclosed above are exclusive of GST.

35.3 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.



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**36 - MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

(Rs. in lakh)

Sr. No.	Particulars	March 31, 2019			March 31, 2018			April 01, 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	463.61	-	463.61	1,259.42	-	1,259.42	1,185.81	-	1,185.81
(b)	Other bank balances	5.00	-	5.00	-	-	-	-	-	-
(c)	Loans	719.00	19,420.81	20,139.81	40.98	1,723.90	1,764.88	-	-	-
(d)	Other financial assets	43.51	40.15	83.66	2.30	25.46	27.76	14.16	-	14.16
	<b>Total Financial Assets</b>	<b>1,231.12</b>	<b>19,460.96</b>	<b>20,692.08</b>	<b>1,302.70</b>	<b>1,749.35</b>	<b>3,052.06</b>	<b>1,199.97</b>	<b>-</b>	<b>1,199.97</b>
(2)	<b>Non-financial Assets</b>									
(a)	Current tax Assets (net)	-	10.00	10.00	-	6.95	6.95	-	-	-
(b)	Deferred tax Assets (net)	-	6.50	6.50	-	6.50	6.50	-	3.17	3.17
(c)	Property, Plant and Equipment	-	330.51	330.51	-	23.31	23.31	-	-	-
(d)	Other intangible asses	-	128.80	128.80	-	70.99	70.99	-	-	-
(e)	Other non-financial assets	74.84	0.24	75.08	68.84	0.00	68.84	-	-	-
	<b>Total Non-Financial Assets</b>	<b>74.84</b>	<b>476.06</b>	<b>550.89</b>	<b>68.84</b>	<b>107.74</b>	<b>176.59</b>	<b>-</b>	<b>3.17</b>	<b>3.17</b>
	<b>Total Assets</b>	<b>1,305.95</b>	<b>19,937.02</b>	<b>21,242.97</b>	<b>1,371.53</b>	<b>1,857.10</b>	<b>3,228.65</b>	<b>1,199.97</b>	<b>3.17</b>	<b>1,203.14</b>
	<b>LIABILITIES</b>									
(1)	<b>Financial Liabilities</b>									
(a)	Trade payables									
	- Total outstanding dues of micro and small enterprises	1.52	-	1.52	1.30	-	1.30	-	-	-
	- Total outstanding dues of creditors other than micro and small enterprises	111.91	-	111.91	73.97	-	73.97	1.05	-	1.05
(b)	Debt Securities	264.98	5,610.64	5,875.62	-	-	-	-	-	-
(c)	Borrowings (Other than debt securities)	985.97	2,800.00	3,785.97	-	-	-	-	-	-
(d)	Other financial liabilities	98.37	107.47	205.84	80.24	0.02	80.25	-	-	-
	<b>Total Financial Liabilities</b>	<b>1,462.76</b>	<b>8,518.11</b>	<b>9,980.86</b>	<b>155.51</b>	<b>0.02</b>	<b>155.52</b>	<b>1.05</b>	<b>-</b>	<b>1.05</b>
(2)	<b>Non-Financial Liabilities</b>									
(a)	Provisions	32.85	13.16	46.01	13.84	4.63	18.47	-	-	-
(b)	Current tax liabilities (net)	-	-	-	-	-	-	-	1.71	1.71
(c)	Deferred tax liabilities (net)	-	-	-	-	-	-	-	-	-
(d)	Other non-financial liabilities	34.92	-	34.92	15.90	-	15.90	-	0.12	0.12
	<b>Total Non-Financial Liabilities</b>	<b>67.77</b>	<b>13.16</b>	<b>80.93</b>	<b>29.74</b>	<b>4.63</b>	<b>34.37</b>	<b>-</b>	<b>1.83</b>	<b>1.83</b>
	<b>Total Liabilities</b>	<b>1,530.53</b>	<b>8,531.27</b>	<b>10,061.79</b>	<b>185.25</b>	<b>4.65</b>	<b>189.89</b>	<b>1.05</b>	<b>1.83</b>	<b>2.88</b>



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**37 - FIRST-TIME IND AS ADOPTION RECONCILIATIONS**

**37.1 Reconciliation of total equity as at March 31, 2018 and April 01, 2017 and profit or loss for the year ended March 31, 2018:**

(Rs. in lakh)

Particulars	Note	Net profit Reconciliation	Equity Reconciliation	
		Year ended March 31, 2018	As at March 31, 2018	As at April 1, 2017
Net loss / equity as per previous GAAP		(138.50)	3,061.76	1,200.26
<b>IndAS Adjustments:</b>				
Measurement of Financial assets at amortised cost	a	(20.29)	(20.29)	-
Impairment of financial instruments	b	(2.72)	(2.72)	-
Actuarial loss on Employee Benefits		-	-	-
		<b>(23.01)</b>	<b>(23.01)</b>	<b>-</b>
Net loss for the year as per Ind AS		(161.51)	3,038.76	1,200.26
Other comprehensive income (net of tax)		-	-	-
<b>Total Comprehensive loss / Equity as per Ind AS</b>		<b>(161.51)</b>	<b>3,038.76</b>	<b>1,200.26</b>

**37.2 Effect of Ind AS adoption on the Statement of Cash Flows for the year ended March 31, 2018:**

(Rs. in lakh)

Particulars	As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance sheet
Net cash flow from operating activities	(1,897.19)	-	(1,897.19)
Net cash flow (used in) investing activities	(29.20)	-	(29.20)
Net cash flow (used in) financing activities	2,000.00	-	2,000.00
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>73.61</b>	<b>-</b>	<b>73.61</b>
Cash and cash equivalents at the beginning of the year	1,185.81	-	1,185.81
<b>Cash and cash equivalents at the end of the year</b>	<b>1,259.42</b>	<b>-</b>	<b>1,259.42</b>

The cash flow adjustments are primarily on account of Ind AS reclassification.

Notes :

a) 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.

b) Under previous GAAP, provision for standard assets / 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.



**JM FINANCIAL HOME LOANS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**38 - FINANCIAL INSTRUMENTS**

**38.1 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. 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.

	(Rs. in lakh)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Gross debt	9,661.59	-	-
<b>Less:</b>			
Cash and cash equivalents	463.61	1,259.42	1,185.81
Other bank deposits	5.00	-	-
<b>Adjusted net debt</b>	<b>9,192.98</b>	-	-
Total equity	11,181.18	3,038.76	1,200.26
<b>Adjusted net debt to equity ratio</b>	<b>0.82</b>	NA	NA

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 NHB. Refer Note 41

**A Fair Value**

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 a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

**1) Accounting classification and fair values**

As at March 31, 2019	Carrying Value	Fair Value			
	Amortised Cost	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Cash and cash equivalents	463.61	-	-	-	-
Bank balances other than above	5.00	-	-	-	-
Loans	20,139.81	-	-	-	-
Investments		-	-	-	-
Other Financial Assets	83.66	-	-	-	-
<b>TOTAL</b>	<b>20,692.08</b>	-	-	-	-
<b>Financial liabilities</b>					
Debt Securities	5,875.62	-	Note (a)	-	-
Borrowings	3,785.97	-	-	-	-
Trade payables	113.43	-	-	-	-
Other Financial Liabilities	205.84	-	-	-	-
<b>TOTAL</b>	<b>9,980.87</b>	-	-	-	-



As at March 31, 2018	Carrying Value	Fair Value			
	Amortised Cost	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Cash and cash equivalents	1,259.42	-	-	-	-
Bank balances other than above	-	-	-	-	-
Loans	1,764.88	-	-	-	-
Investments	-	-	-	-	-
Other Financial Assets	27.76	-	-	-	-
<b>TOTAL</b>	<b>3,052.06</b>	-	-	-	-
<b>Financial liabilities</b>					
Debt Securities	-	-	Note (a)	-	-
Borrowings	-	-	-	-	-
Trade payables	75.27	-	-	-	-
Other Financial Liabilities	80.25	-	-	-	-
<b>TOTAL</b>	<b>155.52</b>	-	-	-	-

As at April 01, 2017	Carrying Value	Fair Value			
	Amortised Cost	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Cash and cash equivalents	1,185.81	-	-	-	-
Bank balances other than above	-	-	-	-	-
Loans	-	-	-	-	-
Investments	-	-	-	-	-
Other Financial Assets	14.16	-	-	-	-
<b>TOTAL</b>	<b>1,199.97</b>	-	-	-	-
<b>Financial liabilities</b>					
Debt Securities	-	-	Note (a)	-	-
Borrowings	-	-	-	-	-
Trade payables	1.05	-	-	-	-
Other Financial Liabilities	-	-	-	-	-
<b>TOTAL</b>	<b>1.05</b>	-	-	-	-

**Note (a)**

For financial assets and liabilities measured at amortised cost, the company considers that the carrying amount recognised in the financial statements approximate their fair values, except as under:

Fixed rate debt securities	Carrying value			Fair Value		
	March 31, 2019	March 31, 2018	April 01, 2017	March 31, 2019	March 31, 2018	April 01, 2017
Debt securities	5,875.62	-	-	5,524.33	-	-

Note: Fair value is determined by discounting the contractual cashflows using current market interest rates

**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**

The Company has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**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 Company has a systematic credit evaluation process monitoring the performance of its asset portfolio on a regular and continual basis to detect any material development, and constantly evaluate the changes and developments in sectors in which it has substantial exposure. The Company also undertakes periodic review of its entire asset portfolio with a view to determine the portfolio valuation, identify potential areas of action and devise appropriate strategies thereon.

In performing its credit assessment, the Company relies largely on information furnished by or on behalf of its borrowers, including financial information, based on which the Company performs its credit assessment. Any such information if materially misleading may increase the risk of default and could adversely impact the financial condition, financial results and/or operations of the Company



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

Category	Description	Basis for recognising expected credit losses
Stage 1	Performing assets	12-month ECL
Stage 2	Under performing assets	Lifetime ECL
Stage 3	Non-performing assets	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.

For PD the Group has relied upon the PD data from external rating agencies. For Loss Given Default (LGD) the Group has relied on internal and external information.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	(Rs. In lakh)		
	March 31, 2019	March 31, 2018	April 01, 2017
<b>Internal Rating Grade</b>			
Stage 1	20,274.30	1,772.06	-
Stage 2	-	-	-
Stage 3	-	-	-

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans:

	(Rs. In lakh)		
	2018-19		
	Stage 1	Stage 2	Stage 3
<b>Gross carrying amount opening balance</b>	1,772.06	-	-
New assets originated or purchased	18,696.60	-	-
Assets derecognised or repaid (excluding write offs)	(194.36)	-	-
Transfers to Stage 1	-	-	-
Transfers to Stage 2	-	-	-
Transfers to Stage 3	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-
Amounts written off	-	-	-
<b>Gross carrying amount closing balance</b>	<b>20,274.30</b>	-	-

	(Rs. In lakh)		
	2017-18		
	Stage 1	Stage 2	Stage 3
<b>Gross carrying amount opening balance</b>	-	-	-
New assets originated or purchased	1,786.27	-	-
Assets derecognised or repaid (excluding write offs)	(14.21)	-	-
Transfers to Stage 1	-	-	-
Transfers to Stage 2	-	-	-
Transfers to Stage 3	-	-	-
<b>Gross carrying amount closing balance</b>	<b>1,772.06</b>	-	-



(Rs. In lakh)

	2018-19		
	Stage 1	Stage 2	Stage 3
<b>ECL allowance - opening balance</b>	7.18	-	-
New assets originated or purchased	128.64	-	-
Assets derecognised or repaid (excluding write offs)	(1.34)	-	-
Transfers to Stage 1	-	-	-
Transfers to Stage 2	-	-	-
Transfers to Stage 3	-	-	-
<b>ECL allowance - closing balance</b>	<b>134.49</b>	-	-

(Rs. In lakh)

	2017-18		
	Stage 1	Stage 2	Stage 3
<b>ECL allowance - opening balance</b>			
New assets originated or purchased	7.19	-	-
Assets derecognised or repaid (excluding write offs)	(0.01)	-	-
Transfers to Stage 1	-	-	-
Transfers to Stage 2	-	-	-
Transfers to Stage 3	-	-	-
<b>ECL allowance - closing balance</b>	<b>7.18</b>	-	-

#### 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 by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse 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. 4,216.00 Lakh, Rs. Nil and Rs. Nil as of March 31, 2019, March 31, 2018 and April 01, 2017 respectively, from its bankers for working capital requirements.

#### 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 and undiscounted.

(Rs in lakh)

March 31, 2019	Contractual cash flows				
	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
<b>Financial liabilities</b>					
Trade Payables	113.43	113.43	-	-	-
Debt Securities	5,875.62	264.98	2,491.28	(3.60)	3,122.96
Borrowings	3,785.97	985.97	700.00	2,100.00	-
Other financial liabilities	205.84	98.37	3.40	2.73	101.33
<b>TOTAL</b>	<b>9,980.86</b>	<b>1,462.75</b>	<b>3,194.68</b>	<b>2,099.13</b>	<b>3,224.29</b>

Financial Assets					
	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Cash and Cash Equivalents	463.61	463.61	-	-	-
Bank balances other than (a) above	5.00	5.00	-	-	-
Loans	20,139.81	719.00	1,412.43	1,715.54	16,292.83
Other financial assets	83.66	43.51	1.80	38.35	-
<b>TOTAL</b>	<b>20,692.08</b>	<b>1,231.12</b>	<b>1,414.23</b>	<b>1,753.90</b>	<b>16,292.83</b>

Contractual cash flows

March 31, 2018	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
<b>Financial liabilities</b>					
Trade Payables	75.27	75.27	-	-	-
Debt Securities	-	-	-	-	-
Borrowings	-	-	-	-	-
Other financial liabilities	80.25	80.25	-	-	-
<b>TOTAL</b>	<b>155.52</b>	<b>155.52</b>	-	-	-



<b>Financial Assets</b>					
Cash and Cash Equivalents	1,259.42	1,259.42	-	-	-
Bank balances other than (a) above	-	-	-	-	-
Loans	1,764.88	40.98	96.12	123.49	1,504.29
Other financial assets	27.76	2.30	1.80	23.66	-
<b>TOTAL</b>	<b>3,052.05</b>	<b>1,302.70</b>	<b>97.92</b>	<b>147.15</b>	<b>1,504.29</b>

<b>Contractual cash flows</b>					
April 01, 2017	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
<b>Financial liabilities</b>					
Trade Payables	1.05	1.05	-	-	-
Debt Securities	-	-	-	-	-
Borrowings	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
<b>TOTAL</b>	<b>1.05</b>	<b>1.05</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Financial Assets</b>					
Cash and Cash Equivalents	1,185.81	1,185.81	-	-	-
Bank balances other than (a) above	-	-	-	-	-
Loans	-	-	-	-	-
Other financial assets	14.16	14.16	-	-	-
<b>TOTAL</b>	<b>1,199.97</b>	<b>1,199.97</b>	<b>-</b>	<b>-</b>	<b>-</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

The Company is exposed to interest rate risk as it has assets 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.

### iv) Interest rate risk

The Company's interest income from lending is dependent upon interest rates and their movement.

### Exposure to interest rate risk

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

Particulars	<b>(Rs in lakh)</b>		
	March 31, 2019	March 31, 2018	April 01, 2017
<b>Financial assets</b>			
Fixed-rate instruments	3,509.11	-	-
Floating-rate instruments	16,632.00	1,763.58	-
<b>Total</b>	<b>20,141.11</b>	<b>1,763.58</b>	<b>-</b>
<b>Financial liabilities</b>			
Fixed-rate instruments	9,661.60	-	-
Floating-rate instruments	-	-	-
<b>TOTAL</b>	<b>9,661.60</b>	<b>-</b>	<b>-</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. A 100 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest 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.

Particulars	<b>(Rs in lakh)</b>			
	March 31, 2019		March 31, 2018	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate borrowings	-	-	-	-
Floating rate loans	166.32	166.32	17.64	17.64
<b>TOTAL</b>	<b>166.32</b>	<b>166.32</b>	<b>17.64</b>	<b>17.64</b>



**NHB disclosures:**

Note: The below disclosures required pursuant to the NHB master directions and circulars are prepared after giving effect required to comply with the extant provisions of National Housing Bank directions including framework on Prudential Norms and other related circulars.

- 39 Provision in respect of standard, sub-standard, doubtful and loss assets are recorded in accordance with Companies policy as stated in note

(Rs. in lakh)

	Housing loans	Non-housing loans	Housing loans	Non-housing loans
	For the year ended March 31, 2019		For the period ended March 31, 2018	
<b>Standard Asset</b>				
Total outstanding amount	12,503.72	7,890.01	1,691.47	100.88
Provisions	31.06	31.35	4.21	0.25
<b>Sub-standard assets</b>				
Total outstanding amount	-	-	-	-
Provisions	-	-	-	-
<b>Doubtful asset</b>				
Total outstanding amount	-	-	-	-
Provisions	-	-	-	-
<b>Total</b>				
<b>Total outstanding amount</b>	<b>12,503.72</b>	<b>7,890.01</b>	<b>1,691.47</b>	<b>100.88</b>
<b>Provisions</b>	<b>31.06</b>	<b>31.35</b>	<b>4.21</b>	<b>0.25</b>

- 40 Disclosure pursuant to circular no. NHB CND/DRS/POI circular 61/2013-14 dated April 7, 2014 issued by NHB.

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
<b>Balance at the beginning of the year</b>		
a) Statutory reserves (as per Section 29C of The National Housing Bank Act, 1987)	-	-
b) Amount of special reserve under Section 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	-	-
<b>Addition / appropriation / withdrawals during the year</b>		
<b>Add:-</b>		
a) Amount transferred as per Section 29C of The National Housing Bank Act, 1987.	-	-
b) Amount of special reserve under Section 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	-	-
<b>Less:-</b>		



a) Amount appropriated as per Section 29C of The National Housing Bank Act, 1987.	-	-
b) Amount withdrawn from special reserve under Section 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>		
a) Statutory reserves (as per Section 29C of The National Housing Bank Act, 1987)	-	-
b) Amount of special reserve under Section 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	-	-
<b>Total</b>	-	-

41 Disclosure pursuant to circular no. NHB/ND/DRS/POL-No.35/2010-11 dated October 11, 2010 and Notification No. NHB.HFC.CG – DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB.

**I. Capital Risk Asset Ratio (CRAR)**

	As at March 31, 2019	As at March 31, 2018
CRAR (%)	77.04%	187.65%
CRAR – Tier I Capital (%)	76.13%	187.37%
CRAR – Tier II Capital (%)	0.91%	0.28%

**II. Exposure to Real Estate Sector**

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
<b>Category</b>		
<b>a) Direct Exposure</b>		
<b>(a) Residential Mortgage:</b> Lending fully secured by mortgage on residential property that is or will be occupied by the borrower:		
(I) Housing Loan upto Rs. 15 lakhs	8,474.25	1,533.51
(II) Housing Loan more than Rs. 15 lakhs	3,949.28	212.49
<b>(i) Commercial real estate:</b> Lending secured by mortgages on commercial real estates. Exposure would also include non-fund based (NFB) Limits.	-	-
<b>(ii) Investment in mortgage backed securities (MBS) and other securitised exposures:</b>		
(a) Residential	-	-
(b) Commercial real estates		
<b>b) Indirect Exposure</b> Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-



### III. Asset Liability Management

#### Maturity Pattern of Assets and liabilities as at March 31, 2019: -

(Rs. in lakh)

	Liabilities		Assets	
	Borrowings from banks	Market Borrowings	Advances	Investment
1 day to 30/31 days (1 month)	-	-	58.69	-
Over one month to 2 months	-	-	47.35	-
Over 2 to 3 months	-	-	47.89	-
Over 3 to 6 months	-	-	146.53	-
Over 6 months to 1 year	700.00	-	306.74	-
Over 1 to 3 years	1,400.00	2,500.00	1,454.94	-
Over 3 to 5 years	1,400.00	-	1,757.64	-
Over 5 to 7 years	-	630.00	2,193.98	-
Over 7 to 10 years	-	2,500.00	4,667.50	-
Over 10 years	-	-	9,578.92	-
<b>Grand Total</b>	<b>3,500.00</b>	<b>5,630.00</b>	<b>20,260.19</b>	<b>-</b>

#### 42 Disclosure pursuant to Notification no. NHB.HFC.DIR.1 /CMD/2010 dated June 10, 2010 issued by NHB.

##### I. Penalty

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
Penalty, if any, levied by National Housing Bank	-	-

##### II. Adverse remarks

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
Adverse remarks, if any, given by National Housing Bank	-	-

##### III. % of outstanding loans granted against collateral of gold jewellery

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
Percentage of outstanding loans granted against the collateral of gold jewellery to their outstanding total assets	-	-



43 Disclosure pursuant to Notification No. NHB.hfc.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 issued by NHB for investments

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
<b>(a) Value of Investments</b>		
<b>(i) Gross Value of Investments:</b>		
a) In India	-	-
b) Outside India	-	-
<b>(ii) Provision for depreciation</b>		
a) In India	-	-
b) Outside India	-	-
<b>(iii) Net value of Investments</b>		
a) In India	-	-
b) Outside India	-	-
<b>(b) Movements of provisions held towards depreciation in investments</b>		
(III) Opening balance	-	-
(IV) Add:- Provisions made during the year	-	-
(V) Less:- Write-off/Written back of excess provision during the year	-	-
(VI) Closing balance	-	-

44 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Single borrower/ Group borrower limit exceeded by HFC.

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
Amount outstanding for Single Borrower limit	-	-
Amount outstanding for Group Borrower limit	-	-

45 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Provisions and Contingencies.

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
1. Provision for depreciation on investment	-	-
2. Provision made towards income tax (net of reversal of tax of earlier years)	-	-
3. Provisions towards NPAs	-	-
4. Provision for standard assets	62.40	4.46
5. Other provisions and contingencies		
a. Gratuity	13.19	4.65
b. Compensated absence	32.82	13.83
c. Provision for expenses	66.24	24.62



- 46 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for concentration of NPAs.

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
Total Exposure to top ten NPA accounts	-	-

- 47 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for sector wise NPA's Provisions and Contingencies

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
<b>a. Housing Loans:</b>	-	-
(I) Individuals (in %) (out of total advances in that sector)	-	-
<b>b. Non - Housing Loans:</b>	-	-
(I) Individuals (in %) (out of total advances in that sector)	-	-

- 48 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for movement of NPAs

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
(I) Net NPAs to Net Advances (%)	-	-
(II) Movement of Gross NPAs		
(a) Opening Balance	-	-
(b) Additions during the year	-	-
(c) Closing balance	-	-
(III) Movement of Net NPAs		
(a) Opening Balance	-	-
(b) Additions during the year	-	-
(c) Closing balance	-	-
(IV) Movement of provisions for NPAs		
(a) Opening Balance	-	-
(b) Additions during the year	-	-
(c) Closing balance	-	-

- 49 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for overseas assets.

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
Overseas assets	-	-



**50 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for customer complaints**

	(Rs. in lakh)	
	As at March 31, 2019	As at March 31, 2018
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	2	1
(c) No. of complaints redressed during the year	2	1
(d) No. of complaints pending at the end of the year	-	-

**51 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Exposure to Capital Market.**

	(Rs. in lakh)	
	As at March 31, 2019	As at March 31, 2018
(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>	-	-



**52 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Securitisation.**

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
The amount of securitised assets as per books of the SPVs sponsored*	-	-

\* During the year the Company has not entered into any securitisation deal. Accordingly no disclosure is required pursuant to Notification No. NHB/HFCCG-DIR.1 /MD&CEO/2016

**53 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Assignment transactions undertaken by HFCs.**

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
Aggregate value of accounts assigned *	-	-

\* During the year the Company has not entered in any assignment deal, accordingly no disclosure is made pursuant to Notification No. NHB/HFCCG-DIR.1 /MD&CEO/2016.

**54 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for purchase and sale of non-performing financial assets.**

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
No. of accounts purchased / sold during the year *	-	-

\* During the year the Company has not entered in deal of purchase and sale of NPAs from/to other HFCs, accordingly no disclosure is made pursuant to Notification No. NHB/HFCCG-DIR.1/MD&CEO/2016.

**55 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for registration obtained from other financial regulator**

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
Registration from other financial regulator, if any	-	-

**56 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for unsecured advances**

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
Amount of unsecured advances given against rights, licenses, authorisations etc	-	-

**57 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for details of financing parent company products.**

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
Details of financing of parent company products, if any	-	-



58 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of Public Deposits.

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to total deposits of the HFC	-	-

59 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of Loans & Advances

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
Total Loans & Advances of twenty largest borrowers	4,809.76	342.81
Percentage of Loans & Advances of twenty largest borrowers to total advances of the HFC	23.74%	19.22%

60 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of all Exposure (including off-balance sheet exposure).

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
Total Exposure to twenty largest borrowers / customers	5,082.58	538.30
Percentage of exposure to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers.	22.47%	13.48%

61 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Forward rate agreement / Interest rate swap.

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
(I) The notional principal of swap agreements	-	-
(II) Losses which would be incurred if counter parties foiled to fulfill their obligations under the agreements	-	-
(III) Collateral required by the HFC upon entering into swaps	-	-
(IV) Concentration of Credit risk arising from the swaps.	-	-
(V) The fair value of the swap book	-	-

62 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB

a) For Exchange traded interest rate derivative

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
(I) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-	-
(II) Notional principal amount of exchange traded IR derivatives outstanding (Instrument-wise)	-	-



(III) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		
(IV) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

**b) For Disclosure on Risk exposure in derivative**

	(Rs. in lakh)	
	As at March 31, 2019	As at March 31, 2018
(I) Derivatives (Notional Principal Amount)	-	-
(II) Marked to Market Positions (1)		
(a) Assets	-	-
(b) Liability	-	-
(II) Credit exposure	-	-
(IV) Unhedged exposure	-	-

**63 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CE0/2016 dated February 9, 2017 issued by NHB for rating assigned by rating agency during the year.**

The Company has obtained credit rating from two credit rating agencies during the year.

Facilities	Amount (Rs In Crore)	CARE	ICRA
Non-Convertible Debenture	100	CARE AA	(ICRA) AA (Stable)
Commercial Paper	100	CARE A1+	(ICRA) A1+
Bank Lines	100	-	(ICRA) AA (Stable)

64 The financial statements were approved for issue by the Board of Directors on April 23, 2019.

For JM Financial Home Loans Limited



*[Signature]*  
**Y P Shetty**  
 Chairman  
 DIN : 00021773

*[Signature]*  
**Manish Sheth**  
 Managing Director & CEO  
 DIN : 00109227

*[Signature]*  
**Rajesh Shah**  
 Chief Financial Officer  
 Place : Mumbai  
 Date: April 23, 2019

*[Signature]*  
**P. P. Shah**  
 Priya Shah  
 Company Secretary

## DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, the relevant provisions of Companies Act, 1956 and the rules prescribed thereunder, as applicable, on the date of this Tranche II Prospectus and the guidelines issued by the Government of India or the regulations, guidelines and the circulars issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, have been complied with. We further certify that the disclosures made in this Tranche II Prospectus are true and correct and in conformity with the Companies Act, 1956, as amended, and the relevant provisions of the Companies Act, 2013, as amended, to the extent applicable as on the date of this Tranche II Prospectus, Schedule I of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and no statement made in this Tranche II Prospectus is contrary to the provisions of the Companies Act, 2013, as amended and the relevant provisions of the Companies Act, 1956, applicable as on the date of this Tranche II Prospectus, the Securities Contracts (Regulation) Act, 1956, as amended, or the Securities and Exchange Board of India Act, 1992, as amended, or rules, guidelines and circulars issued thereunder.

We further certify that all the disclosures and statements in this Tranche II Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche II Prospectus does not contain any misstatements.

### **SIGNED BY ALL DIRECTORS:**

Mr. V P Shetty :Sd/-  
(*Non- Executive Chairman*)

Mr. E A Kshirsagar :Sd/-  
(*Independent Director*)

Mr. M R Umarji :Sd/-  
(*Non- Executive Director*)

Mr. Atul Mehra :Sd/-  
(*Non-Executive Director*)

Mr. Subodh Shinkar :Sd/-  
(*Non-Executive Director*)

Mr. Vishal Kampani :Sd/-  
(*Managing Director*)

Date: July 31, 2019

Place: Mumbai

## DECLARATION

I, the Director of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, the relevant provisions of Companies Act, 1956 and the rules prescribed thereunder, as applicable, on the date of this Tranche II Prospectus and the guidelines issued by the Government of India or the regulations, guidelines and the circulars issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, have been complied with. I further certify that the disclosures made in this Tranche II Prospectus are true and correct and in conformity with the Companies Act, 1956, as amended, and the relevant provisions of the Companies Act, 2013, as amended, to the extent applicable as on the date of this Tranche II Prospectus, Schedule I of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and no statement made in this Tranche II Prospectus is contrary to the provisions of the Companies Act, 2013, as amended and the relevant provisions of the Companies Act, 1956, applicable as on the date of this Tranche II Prospectus, the Securities Contracts (Regulation) Act, 1956, as amended, or the Securities and Exchange Board of India Act, 1992, as amended, or rules, guidelines and circulars issued thereunder.

I further certify that all the disclosures and statements in this Tranche II Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche II Prospectus does not contain any misstatements.

Mr. Dharendra Singh  
*(Independent Director)*

:Sd/-

Date: July 31, 2019

Place: Greater Noida

## DECLARATION

I, the Director of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, the relevant provisions of Companies Act, 1956 and the rules prescribed thereunder, as applicable, on the date of this Tranche II Prospectus and the guidelines issued by the Government of India or the regulations, guidelines and the circulars issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, have been complied with. I further certify that the disclosures made in this Tranche II Prospectus are true and correct and in conformity with the Companies Act, 1956, as amended, and the relevant provisions of the Companies Act, 2013, as amended, to the extent applicable as on the date of this Tranche II Prospectus, Schedule I of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and no statement made in this Tranche II Prospectus is contrary to the provisions of the Companies Act, 2013, as amended and the relevant provisions of the Companies Act, 1956, applicable as on the date of this Tranche II Prospectus, the Securities Contracts (Regulation) Act, 1956, as amended, or the Securities and Exchange Board of India Act, 1992, as amended, or rules, guidelines and circulars issued thereunder.

I further certify that all the disclosures and statements in this Tranche II Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche II Prospectus does not contain any misstatements.

Ms. Roshini Bakshi  
*(Independent Director)*

:Sd/-

Date: July 31, 2019

Place: Jakarta

CONFIDENTIAL

Ref: 2019-20/MUMR/443

July 24, 2019

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

Dear Sir,

Re: ICRA rating for the Rs. 2,000 crore Non-convertible Debenture (NCD) Programme<sup>1</sup> of JM Financial Products Limited

Please refer to your request for revalidating the rating letter issued for the captioned programme.

We confirm that the [ICRA]AA (pronounced as ICRA double A) rating, with Stable outlook, assigned to your captioned programme and last communicated to you vide our letter dated **March 25, 2019** stands. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same as communicated vide our letters Ref 2018-19/MUM/1908 dated March 25, 2019.

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

With kind regards,

Yours faithfully,  
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)

CONFIDENTIAL

Ref: 2018-19/MUM/1546

Date: January 9, 2019

**Mr. Milind Gandhi**

Chief Financial Officer

JM Financial Products Limited

5B, 5th Floor, Cnergy,

Appasaheb Marathe Marg, Prabhadevi,

Mumbai – 400 025

Dear Sir,

**Re: ICRA Credit Rating for the Rs. 2,000.00 crore Non-Convertible Debenture (NCD) Programme<sup>1</sup> of JM Financial Products Limited**

Please refer to the Rating Agreement dated November 29, 2018 for carrying out the rating of the aforesaid **NCD** Programme. The Rating Committee of ICRA, after due consideration, has assigned a **[ICRA]AA** (pronounced as ICRA double A) rating to the captioned NCD Programme. Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The Outlook on the long-term rating is **Stable**.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as **[ICRA]AA (stable)**. We would request if you can sign the acknowledgement and send it to us latest by January 16, 2019 as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on **'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)**' issued by the Securities and Exchange Board of India.

Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly **'No Default Statement (NDS)'** (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.



1/-

<sup>1</sup> Public issue of non-convertible debentures



...2...

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

Enclosed herewith is a copy of the rationale of the assigned rating for your reference. Please respond with your comments if any within the aforesaid timeline of January 16, 2019.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,  
For ICRA Limited

  
KARTHIK SRINIVASAN  
Senior Vice president  
karthiks@icraindia.com

  
SHREEKIRAN RAO  
Assistant Vice President  
shreekiran.rao@icraindia.com

**Encl: Rating Rationale**

**Acknowledgement**

*(To be signed and returned to ICRA Limited)*

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

**For <Company/ Client Name>**

\_\_\_\_\_  
Name:

Date:

**Note:** Please return a copy of the above communication along with the acknowledgement to ICRA Limited at 4th Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025

## JM Financial Products Limited

January 14, 2019

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Proposed Non-convertible Debenture (NCD) Programme	-	2,000.00	[ICRA]AA (Stable); assigned
NCD Programme	2,500.00	2,500.00	[ICRA]AA (Stable); outstanding
Long term Market Linked Debentures (Principal Protected)	500.00	500.00	PP-MLD[ICRA]AA (Stable); outstanding
Long-term Bank Lines	1,500.00	1,500.00	[ICRA]AA (Stable); outstanding
Commercial Paper Programme	4,500.00	4,500.00	[ICRA]A1+; outstanding
<b>Total</b>	<b>9,000.00</b>	<b>11,000.00</b>	

\*Instrument details are provided in Annexure-1

### Rationale

The assigned rating is based on the consolidated view of the JM Financial Group (JM Group or the Group) on account of the close linkages among the Group entities, common promoters and senior management team, the shared brand name, and strong financial and operational synergies. ICRA believes the financial, managerial and operational support from the Group will continue to be available to all the key group companies. The rating factors in the group's demonstrated track record, strong franchise and established market position in the financial services industry. The ratings also take into account the healthy performance of the Group with consistent profitability indicators, comfortable capitalisation and measured leveraging strategy while ramping up its lending operations.

ICRA has taken note of the inherent risk profile of the key segments like real estate and promoter funding. The portfolio concentration remains high given the focus on wholesale lending, which contributed 83% to the total book as on September 30, 2018. There could be a sharp deterioration in the asset quality in case of any slippages. The Group had reported a deterioration in asset quality in FY2018 owing to a lumpy slippage in the real estate segment. On an aggregate basis, the gross non-performing assets (NPA) to advances ratio increased to 0.6%, as of March 2018, from 0.1%, as of March 2017, and was reported at 0.5% as of September 30, 2018, though it remains at a comfortable level. ICRA also draws comfort from the Group's proactive monitoring and resolution process, its conservative underwriting norms and adequate risk management systems. Given the rising prominence of the lending business, the Group's ability to manage its asset and liability profile would remain critical. ICRA takes comfort from the Group's adequate liquid assets and its ability to raise funds from the market when required, as demonstrated in the past. The ratings also factor in the Group's dependence on the cyclical capital markets. Going forward, the Group's ability to scale up its operations while maintaining profitability, capitalisation and asset quality would remain critical from a credit perspective.

### Outlook: Stable

ICRA believes that the Group will continue to benefit from its diversified business profile, its demonstrated track record and established position in capital markets related businesses and its robust risk management systems.

The outlook may be revised to Positive if there is a substantial and sustained improvement in the Group's profitability, leading to an improvement in its financial risk profile. The outlook may be revised to Negative if there is significant deterioration in the asset quality of the credit book and the profitability indicators, thereby adversely affecting its financial risk profile.

## Key rating drivers

### Credit strengths

**Strong brand name of the Group with diversified revenue stream** – The Group is a diversified financial services entity with interests in investment banking, retail and institutional equity broking, wealth management, investment advisory services, portfolio management, asset management, commodity broking, securities-based lending, corporate lending, real estate lending, private equity, and asset reconstruction. The Group is one of the leading entities in capital markets and related businesses with a prime focus on investment banking and merchant banking operations and has been engaged in many marquee deals. At a consolidated basis, the Group's revenue stream remains well diversified with investment Banking, wealth management & securities business (IWS), mortgage lending, distressed credit and asset management businesses contributing 50.7%, 33.8%, 15.5% and 2.4% respectively, during H1 FY2019.

**Ramp-up in lending business with an eye on diversification of portfolio** – The Group forayed into the non-capital market lending business in 2008, and since then, this business has emerged as a key contributor to its revenues. The Group's lending portfolio comprises wholesale mortgage, retail mortgage, corporate lending and capital markets lending. Over the years, the Group has gradually scaled up and also diversified the lending business. It forayed into the small and medium enterprises (SME) segment in FY2017 and housing finance in FY2018. On an overall basis, the Group's loan book increased to Rs. 17,108 crore as of September 30, 2018 from Rs. 11,343 crore as of March 31, 2017 with wholesale mortgage, corporate lending, capital markets lending and retail mortgage accounting for 66%, 17%, 14% and 3%, respectively, of the loan book as of September 30, 2018.

**Healthy profitability indicators** – During FY2018, the Group's total income<sup>1</sup> increased by 38% to Rs. 3,131 crore from Rs. 2,267 crore in FY2017 driven by the expanding lending business. Supported by a stable expense profile and low credit costs, the profitability has remained healthy. JM Financial Limited (JMFL) reported a net profit of Rs. 631 crore and return on assets (RoA) of 4.6% in FY2018 (return on equity, RoE<sup>2</sup> of ~17%). In H1 FY2019 (adopted Ind-AS with effect from April 01, 2018), the Group's total income stood at Rs. 1,828 crore. Though the profitability moderated to an extent on account of a contraction in the net interest margin (NIM) in H1 FY2019, it remains healthy. The Group reported an RoA<sup>3</sup> of 3.6% in H1 FY2019 (net profit of Rs. 306 crore and RoE of ~13%<sup>3</sup>).

**Adequate capitalisation at the Group level** – The Group's capitalisation remains adequate with a tangible net worth of Rs. 4,923 crore (consolidated) and a capital adequacy ratio (CRAR) of 23.1% as on September 30, 2018 (tangible net worth of Rs. 4,349 crore and CRAR of 22.4% as of March 31, 2018). ICRA takes comfort from the relatively lower consolidated gearing compared to its peers and the Group's stated plans to maintain a leverage of under 4 times, at all points in time. Gearing remained stable at 2.6 times as on September 30, 2018 vis-à-vis March 31, 2018.

**Comfortable asset quality of the funding portfolio** – The Group's overall loan book is sufficiently collateralised and its asset quality has also remained stable over the last few years. During Q2 FY2018, due to a lumpy slippage in the real estate lending segment, the gross and net NPA increased to ~0.6% each as on September 30, 2017. As on September 30, 2018, gross and net NPA remained stable at 0.5% and 0.4%, respectively. In ICRA's view, the asset quality indicators remain at a comfortable level. ICRA draws comfort from the robust risk management systems and conservative underwriting norms, which have supported the asset quality. Going forward, the Group's ability to control its asset quality with a further scale up in the loan book would remain a key rating monitorable.

<sup>1</sup> Net of sub-brokerage commission; Group financials refer to the consolidated financials of JMFL, which is the holding company of the JM Financial Group

<sup>2</sup> Return on average net worth

<sup>3</sup> Annualised

## Credit challenges

**Ability to maintain ALM remains critical given the increasing prominence of the credit business, particularly wholesale lending** – ICRA has taken note of the elongation in the Group’s debt maturity profile over the past three years, with the share of long-term debt in the total borrowings increasing to 66% as of March 31, 2018 from 12% as of March 2015. As on September 30, 2018, the share of long-term debt in the total borrowings stood at 59%. Given the rising prominence of the lending business, the Group’s ability to manage its asset and liability profile would remain critical. ICRA takes comfort from the Group’s adequate liquid assets and its ability to raise funds from the market when required, as demonstrated in the past.

**High concentration and inherent credit risk in the wholesale segment** – The Group’s loan portfolio largely comprises wholesale lending, which includes real estate, promoter funding and corporate loans. The Group’s exposure to risky segments, namely real estate lending and promoter funding, accounts for a sizeable portion of the lending book. ICRA also takes note of the inherent riskiness of the real estate lending and promoter funding segments. However, the Group’s conservative credit underwriting norms, coupled with the comfortable asset quality indicators, provide comfort. The Group has recently forayed into retail mortgage lending to the SME segment and has started its housing finance business, which, on the achievement of a sizeable scale, should help diversify the loan mix.

## Liquidity Position:

JM Financial Limited, on a consolidated basis, had total liquidity of around Rs. 3,296 crore, comprising Rs. 2,730 crore cash and liquid investment and Rs. 566 crore undrawn bank lines as on October 05, 2018. The company also has an expected cumulative inflow of Rs. 7,479 crore during H2 FY2019. As per the asset-liability statements, as on September 30, 2018, for the key lending entities in the Group, while there were cashflow mismatches in few of the near-term buckets, cumulative cashflow position over the near-term remained comfortable. The liquidity profile, thus, remains adequate in comparison to the near-term maturities (Rs. 7,379 crore of repayment obligations in H2 FY2019).

## Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA’s Credit Rating Methodology for Non-Banking Finance Companies</a>
Parent/Group Support	Not applicable - while assigning the ratings, ICRA has taken a consolidated view of the Group (JMFL - Consolidated) given the high operational and managerial linkages between the group companies and the shared brand name.
Consolidation / Standalone	ICRA has taken a consolidated view of the parent (JMFL) and its subsidiaries. As on March 31, 2018, JMFL had 10 subsidiaries and 7 stepdown subsidiaries. Details of the companies consolidated are provided in Annexure 2.

## About the company

### JM Financial Products Limited

JMFPL, registered with the Reserve Bank of India as a non-banking financial company, is the capital markets lending arm of the JM Financial Group. The company, which was engaged in public issue financing, lending against securities, margin funding, corporate lending, sponsor and promoter funding and real estate lending, will be focusing mainly on corporate lending going ahead as other NBFCs of the group – JM Financial Capital Limited and JM Financial Credit Solutions Limited – will be focusing on capital market lending and real estate lending respectively. JMFPL had a loan book of Rs. 7,826 crore as on September 30, 2018 (Rs. 6,582 crore as on March 31, 2018 and Rs. 5,499 crore as on March 31, 2017).

JMFPL reported a net profit of Rs. 213 crore on a total income base of Rs. 904 crore in FY2018 vis-a-vis a net profit of Rs. 197 crore on a total income base of Rs. 706 crore in FY2017. During H1 FY2019, JMFPL reported a net profit of Rs. 110 crore on a total income base of Rs. 490 crore as compared to a net profit of Rs. 99 crore on a total income base of Rs. 440 crore during H1 FY2018.

### JM Financial Group

JM Financial Group has interests in investment banking, retail and institutional equity broking, wealth management, investment advisory services, portfolio management, asset management, commodity broking, securities-based lending, corporate lending, commercial real estate lending, private equity, and asset reconstruction. The Group's clients include corporates, domestic and foreign financial institutions, high net worth individuals (HNIs), and retail investors. While each of these businesses is independent in itself, the companies in the Group have integrated operations. JMFL is the holding company for the operating companies in the Group. The institutional equities division of JM Financial Institutional Securities Limited (JMFISL) got demerged into a subsidiary of JM Financial Services Limited (which in turn is a subsidiary of JMFL) by way of a scheme of arrangement. The residual business of JMFISL (which includes investment banking business) and JM Financial Investment Managers Limited (previously wholly-owned subsidiary of JMFL and engaged in the business of private equity fund management) got merged into JMFL by way of a scheme of amalgamation.

During FY2018, JMFL reported a consolidated net profit of Rs. 631 crore on a total income of Rs. 3,131 crore as compared with a consolidated net profit of Rs. 470 crore on a total income of Rs. 2,267 crore during FY2017. During H1 FY2019, the company reported a consolidated net profit of Rs. 306 crore on a total income of Rs. 1,828 crore.

### Key financial indicators of JMFL (consolidated)

	FY2017 I-GAAP	FY2018 I-GAAP	H1 FY2019 Ind AS
Total Income <sup>4</sup>	2,267	3,131	1,774
Profit after tax (PAT <sup>3</sup> )	470	631	306
Tangible Net worth	3,227	4,349	4,923
Minority Interest	1,109	1,371	2,022
Total Loan Book	11,343	14,772	17,108
Total Assets <sup>5</sup>	16,453	21,487	27,014
Return on average assets	4.7%	4.6%	3.6%
PAT/ Average Net worth (ROE)	15.6%	16.7%	13.1%
Gearing (times)	2.5	2.6	2.6

Source: JM Financial Limited and ICRA research; Amounts in Rs. crore; All ratios are as per ICRA calculations

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

<sup>3</sup> Including share in profit of associates and net of minority interest

<sup>4</sup> Net of sub-brokerage commission

<sup>5</sup> Net of goodwill on consolidation

### Rating history for last three years:

Instrument	Current Rating (FY2019)				Chronology of Rating History for the Past 3 Years														
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2018												Date & Rating in FY2017		Date & Rating in FY2016
					Jan-19	Oct-18	Sep-18	Jul-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Jun-17	Mar-17	Jan-17	Nov-16	
1 Proposed NCD Programme	Long Term	2,000.00	0.00	[ICRA]AA (Stable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 NCD Programme	Long Term	2,500.00	2,154.60	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
3 Long Term Market Linked Debentures (Principal Protected)	Long Term	500.00	233.90	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)	PP-MLD [ICRA]AA (Stable)
4 Term Loan	Long Term	913.34	913.34	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
5 Cash Credit	Long Term	200.00	NA	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
6 Unallocated	Long Term	386.66	NA	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
7 Commercial Paper Programme	Short Term	4,500.00	NA	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
8 Commercial Paper Programme (IPO Financing)	Short Term	-	-	-	[ICRA]A1+ withdraw	[ICRA]A1+ assigned													

### Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE523H07346	NCD	5-Feb-16	0.00%	1-Feb-19	3.00	[ICRA]AA (stable)
INE523H07353	NCD	1-Mar-16	0.00%	3-Apr-19	4.40	[ICRA]AA (stable)
INE523H07361	NCD	22-Mar-16	0.00%	22-Apr-19	3.50	[ICRA]AA (stable)
INE523H07379	NCD	11-Apr-16	0.00%	22-Apr-19	5.40	[ICRA]AA (stable)
INE523H07387	NCD	29-Apr-16	0.00%	25-Apr-19	7.80	[ICRA]AA (stable)
INE523H07411	NCD	16-Jun-16	0.00%	14-May-19	6.20	[ICRA]AA (stable)
INE523H07429	NCD	16-Jun-16	0.00%	28-May-19	6.60	[ICRA]AA (stable)
INE523H07437	NCD	16-Jun-16	0.00%	18-Jun-19	5.00	[ICRA]AA (stable)
INE523H07445	NCD	21-Jul-16	0.00%	2-Jul-19	2.80	[ICRA]AA (stable)
INE523H07452	NCD	21-Jul-16	0.00%	23-Jul-19	6.30	[ICRA]AA (stable)
INE523H07478	NCD	6-Sep-16	0.00%	6-Aug-19	11.00	[ICRA]AA (stable)
INE523H07486	NCD	6-Sep-16	0.00%	27-Aug-19	5.70	[ICRA]AA (stable)
INE523H07569	NCD	12-Jan-17	0.00%	12-May-20	63.00	[ICRA]AA (stable)
INE523H07577	NCD	12-Jan-17	0.00%	4-May-20	1.80	[ICRA]AA (stable)
INE523H07585	NCD	23-Jan-17	0.00%	7-Apr-20	9.60	[ICRA]AA (stable)
INE523H07627	NCD	27-Feb-17	0.00%	1-Jul-20	27.50	[ICRA]AA (stable)
INE523H07718	NCD	22-Mar-17	0.00%	6-May-20	2.00	[ICRA]AA (stable)
INE523H07775	NCD	26-May-17	0.00%	12-May-20	20.00	[ICRA]AA (stable)
INE523H07833	NCD	20-Jul-17	0.00%	2-Sep-20	14.70	[ICRA]AA (stable)
INE523H07841	NCD	25-Jul-17	8.70%	25-Jul-19	200.00	[ICRA]AA (stable)
INE523H07858	NCD	28-Jul-17	8.90%	28-Jul-20	150.00	[ICRA]AA (stable)
INE523H07866	NCD	28-Sep-17	8.80%	28-Sep-20	120.00	[ICRA]AA (stable)
INE523H07874	NCD	15-Nov-17	8.81%	13-Nov-20	300.00	[ICRA]AA (stable)
INE523H07882	NCD	21-Nov-17	0.00%	30-Apr-21	173.90	[ICRA]AA (stable)
INE523H07916	NCD	8-Dec-17	0.00%	6-Apr-21	54.60	[ICRA]AA (stable)
INE523H07940	NCD	7-Feb-18	9.34%	23-Apr-21	209.80	[ICRA]AA (stable)
INE523H07973	NCD	28-Jun-18	9.25%	28-Jun-21	120.00	[ICRA]AA (stable)
INE523H07981	NCD	24-Aug-18	9.42%	25-Feb-20	75.00	[ICRA]AA (stable)
INE523H07999	NCD	7-Sep-18	364-day T-bill linked	30-Jun-22	150.00	[ICRA]AA (stable)
INE523H07AB3	NCD	14-Sep-18	0.00%	11-Aug-21	16.50	[ICRA]AA (stable)
INE523H07AC1	NCD	14-Sep-18	0.00%	13-Sep-21	40.00	[ICRA]AA (stable)
INE523H07AD9	NCD	14-Sep-18	0.00%	4-Apr-22	65.00	[ICRA]AA (stable)
INE523H07AE7	NCD	27-Sep-18	0.00%	29-Sep-22	45.00	[ICRA]AA (stable)
NA	NCD *	NA	NA	NA	3.90	[ICRA]AA (stable)
INE523H07395	MLD (PP)	9-Jun-16	-	11-Jun-19	5.00	PP-MLD[ICRA]AA (Stable)
INE523H07783	MLD (PP)	26-May-17	-	29-Sep-20	50.00	PP-MLD[ICRA]AA (Stable)
INE523H07908	MLD (PP)	28-Nov-17	-	29-Nov-19	55.00	PP-MLD[ICRA]AA (Stable)
INE523H07924	MLD (PP)	14-Dec-17	-	14-Dec-20	17.40	PP-MLD[ICRA]AA (Stable)
INE523H07932	MLD (PP)	29-Dec-17	-	29-Jan-19	7.50	PP-MLD[ICRA]AA (Stable)
INE523H07957	MLD (PP)	14-Feb-18	-	16-Dec-19	25.00	PP-MLD[ICRA]AA (Stable)
INE523H07965	MLD (PP)	22-Mar-18	-	16-Sep-19	29.00	PP-MLD[ICRA]AA (Stable)
INE523H07AA5	NCD	6-Sep-18	G-Sec linked	28-Feb-20	25.00	PP-MLD[ICRA]AA (Stable)
INE523H07AF4	NCD	3-Jan-19	10-yr Govt bond linked	3-Jul-20	10.00	PP-MLD[ICRA]AA (Stable)

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	MLD (PP) *	-	-	-	231.10	PP-MLD[ICRA]AA (Stable)
NA	Term Loan	2016-17	NA	2019-2021	986.66	[ICRA]AA (Stable)
NA	Cash Credit	NA	NA	NA	200.00	[ICRA]AA (Stable)
NA	Unallocated *	NA	NA	NA	313.34	[ICRA]AA (Stable)
NA	CP Programme	NA	NA	7-365 days	4,500.00	[ICRA]A1+

\* Proposed

Source: JM Financial Products Limited

## Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership / Relationship with rated entity	Consolidation Approach
JM Financial Limited	Parent	
JM Financial Asset Management Limited	Fellow Subsidiary	
CR Retail Malls (India) Limited	Fellow Subsidiary	
JM Financial Products Limited	Fellow Subsidiary	
JM Financial Capital Limited	Fellow Subsidiary	
JM Financial Services Limited	Fellow Subsidiary	
JM Financial Credit Solutions Limited	Fellow Subsidiary	
Astute Investments	Partnership Firm of fellow subsidiaries	
JM Financial Asset Reconstruction Company Limited	Fellow Subsidiary	ICRA has taken a consolidated view of parent and its subsidiaries
JM Financial Home Loans Limited	Fellow Subsidiary	
JM Financial Institutional Securities Limited	Fellow Subsidiary	
Infinite India Investment Management Limited	Fellow Subsidiary	
JM Financial Trustee Company Private Limited	Associate of JMFL	
JM Financial Overseas Holding Private Limited	Fellow Subsidiary	
JM Financial Securities Inc.	Fellow Subsidiary	
JM Financial Singapore Pte Ltd	Fellow Subsidiary	
JM Financial Commtrade Limited	Fellow Subsidiary	
J.M. Financial & Investment Consultancy Private Limited	Related Party *	

\* a company owned by the promoters of JMFL

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JMFPPL/214130/NCD/041600308/2  
July 30, 2019

Mr. Nishit Shah  
Chief Financial Officer  
JM Financial Products Limited  
1st Floor, B Wing Suashish IT Park,  
Plot No 68E Off Dattapada Road, Opp. Tata Steel  
Borivali East  
Mumbai - 400066  
Tel: 022 61667000

Dear Mr. Nishit Shah,

**Re: CRISIL Rating for the Rs.2000 Crore Non Convertible Debentures\* of JM Financial Products Limited**

All ratings assigned by CRISIL are kept under continuous surveillance and review.  
Please refer to our rating letters dated April 01, 2019 bearing Ref. no: JMFPPL/214130/NCD/041600308/1  
Please find in the table below the rating outstanding for your company.

Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
Non-Convertible Debentures	2000	CRISIL AA/Stable

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

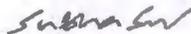
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned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

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

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

With warm regards,

Yours sincerely,



Subha Sri Narayanan  
Director - CRISIL Ratings



Nivedita Shibu  
Associate Director - CRISIL Ratings



\*For public Issue

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating credit information is available at [www.crisil.com](http://www.crisil.com). For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

JMFPPPL/214130/NCD/041600308

January 3, 2019

Mr. Milind Gandhi  
Chief Financial Officer  
JM Financial Products Limited  
1st Floor, B Wing Suashish IT Park,  
Plot No 68E Off Dattapada Road, Opp. Tata Steel  
Borivali East  
Mumbai - 400066  
Tel: 022 61667000

Dear Mr. Milind Gandhi,

**Re: CRISIL Rating for the Rs.2000 Crore Non-Convertible Debentures\* of JM Financial Products Limited**

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

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

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

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

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

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

With warm regards,

Yours sincerely,



Rama Patel  
Director - CRISIL Ratings



Nivedita Shibu  
Associate Director - CRISIL Ratings



\*for public issue

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating [www.crisil.com](http://www.crisil.com) or [www.crisil.com](http://www.crisil.com) CRISIL web site, [www.crisil.com](http://www.crisil.com). For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-

**Details of the Rs.2000 Crore Non-Convertible Debentures of  
JM Financial Products Limited**

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

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

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## Rating Rationale

January 03, 2019 | Mumbai

### JM Financial Products Limited

'CRISIL AA/Stable' assigned to NCD

#### Rating Action

Total Bank Loan Facilities Rated	Rs.500 Crore
Long Term Rating	CRISIL AA/Stable (Reaffirmed)

Rs.2000 Crore Non Convertible Debentures	CRISIL AA/Stable (Assigned)
Non-Convertible Debentures Aggregating Rs.1570 Crore	CRISIL AA/Stable (Reaffirmed)
Rs.4500 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL has assigned its '**CRISIL AA/Stable**' ratings on Rs 2,000 crore Non-Convertible Debenture issue of JM Financial Products Limited (JM Financial Products; part of the JM Financial group) and has reaffirmed its ratings on the company's other debt instruments and bank facilities at 'CRISIL AA/Stable/CRISIL A1+'.

The rating primarily reflects the group's continued ability to maintain healthy capitalisation and established market position in investment banking, wealth management, and securities-based lending businesses. The rating also factors in the benefits expected to accrue from scale up in the wholesale lending business, and the group's strong risk management practices. These rating strengths are partially offset by the inherent vulnerability of the asset quality in the group's wholesale lending business.

#### Analytical Approach

For arriving at its ratings, CRISIL has combined the business and financial risk profiles of all companies within the JM Financial group, including the NBFC, JM Financial Credit Solutions Ltd where the JM Financial has 47% stake. The group also includes JM Financial Asset Reconstruction Company Ltd (JMARC; rated 'CRISIL AA-/Stable/CRISIL A1+') where JM Financial Group has 57.07% stake and is now a subsidiary of JM Financial Limited. This is because of the significant operational and financial integration among the group companies, and their common senior management team and shared brand. All the companies are collectively referred to as the JM Financial group.

Please refer Annexure - Details of Consolidation, which captures the list of entities considered and their analytical treatment of consolidation.

## Key Rating Drivers & Detailed Description

### Strengths

#### \* **Healthy capitalisation**

The group is sufficiently capitalised to support growth plans over the medium term, especially in the wholesale lending business that will provide cushion against asset-side risks. Networth (including minority interest and excluding goodwill) was sizeable at Rs 6945 crore as on September 30, 2018 (Rs 5719 crore as on March 31, 2018). Moreover, gearing (including debt and equity of JMARC) remained comfortable at 2.6 times as on September 30, 2018. Despite increasing scale of operations in the lending business, adjusted gearing will not exceed 3.5 times on a steady state basis over the medium term.

#### \* **Established market position in the capital markets-related businesses**

The group will benefit significantly from buoyancy in the capital markets over the medium term, given its strong market position across business segments. It has developed a strong franchise in key operating segments such as investment banking, wealth management, and securities-based lending. This is aided by the track record and reputation of its experienced management and healthy client relationship. Furthermore, management has been conservative in its risk philosophy. Total revenue and net profit (including minority interest and profit from associate) increased year-on-year by 21.9% and 8.2% (Ind AS factored), respectively for the half year ended fiscal 2019. The Return on networth<sup>1</sup> was at 13.1% (annualized) for the half year ended September 30, 2018 compared to 18.0% for fiscal 2018. However, given the tightening of the funding environment, the business growth is expected to be moderate in near term though expected to pick up over medium term.

#### \* **Diversification benefits to accrue from scale up in the wholesale lending business**

The JM Financial group plans to significantly increase scale in the wholesale lending business through JM Financial Credit Solutions and JM Financial Products Ltd. Gross loan book was Rs 17,108 crore, September 30, 2018 (Rs 14,772 crore as on March 31, 2018). Over the past five fiscals, the wholesale loan book grew more than eight fold to Rs 14,188 crore as on September 30, 2018 and accounted for about 83% of the portfolio. With strong capital position of the group, lending business is likely to grow at a healthy pace over the medium-term.

#### \* **Strong risk management practices**

Credit risk profile is supported by strong risk management practices to deal with market, credit, liquidity, operational, and counterparty risks, which mitigate the risk of potential losses in the broking and lending businesses. Track record of low delinquencies and negligible write-offs in the broking and securities-based lending businesses, despite cyclicity in equity markets, underscores the adequacy of the group's risk management systems.

The group has also put in place strong practices to manage inherent risks in the wholesale lending business while growing the lending book. It continues to follow prudent lending policies and has put in place additional controls in recent quarters to manage increased stress in the real estate sector. It focuses on providing funding to select builders/corporates with robust performance track record and with which it has had prior business association. A team of experienced professionals undertakes detailed due diligence, including stress testing, to assess the credit quality of borrowers. The portfolio is regularly monitored, including regular and detailed discussion with borrowers, and end-use monitoring of funds. All the loans are adequately covered by collateral (of 1.5-2.0 times) at all points in time. The group has demonstrated ability to resolve delinquencies in the portfolio at an early stage through identification and quick exit. This is reflected in its relatively low gross non-performing assets of 0.5% as on September 30, 2018 (0.6% on March 31, 2018).

### Weakness

#### \* **Asset quality in the wholesale lending business remains inherently vulnerable**

Asset quality of the wholesale lending business remains susceptible to the performance of the real estate sector and financial flexibility of borrowers. This business also entails high risks given the underlying borrower profile and large ticket size of loans. While the group has adequate origination, underwriting, and credit monitoring systems, ability to maintain healthy asset quality in this business will remain a key rating monitorable.

## Outlook: Stable

CRISIL believes the JM financial group will maintain its healthy financial risk profile over the medium term, supported by strong capitalisation, conservative gearing, and high profitability. The group will also benefit from scale-up in the wholesale lending business supported by efficient risk management practices; and from its established market position in capital market-related businesses. The outlook may be revised to 'Positive' if the group significantly increases scale of operations in the lending business while substantially de-risking the business, and maintains comfortable asset quality and strong financial risk profile. The outlook may be revised to 'Negative' if asset-quality challenges in the lending business adversely affect profitability.

## Liquidity position

JM Financial Group has total repayment obligations of Rs 7,379 crore (as per ALM on September 30, 2018) over the six months ending March 31, 2019 against which it has cushion of Rs 3296 crore (cash & liquid investment Rs 2,091 crore, unutilized Bank lines of Rs 566 crore and liquidable investment of Rs 639 crore). The group companies (consolidated) had negative mismatch in some of the buckets in upto one year bucket in their ALM as on (September 30, 2018) though on cumulative basis inflows are matched with outflows. Meanwhile, two third of the group's total CP borrowings of Rs 5,040 crores (as on October 25, 2018) are deployed in the short term assets (capital market lending, esop financing, trading & broking etc) and can be easily liquidated if required. The company's steady inflows from business and healthy asset quality (GNPAs of 0.5% as on September 2018) supports the liquidity. The group companies continues to access the debt markets in the third quarter of fiscal 2019 to raise funds via commercial paper, non-convertible debentures and bank loans etc. thereby further cushioning the group's liquidity position.

## About the Group

The JM Financial group has interests in investment banking, retail and institutional equity broking, wealth management, investment advisory services, portfolio management, asset management, commodity broking, securities-based lending, corporate lending, private equity, and asset reconstruction. Clients include corporates, domestic and foreign financial institutions, high-networth individuals, and retail investors. While each of these businesses is independent, companies in the group have integrated operations. JM Financial Ltd is the group's holding company.

For fiscal 2018, the group reported a profit after tax (including minority interest and profit from associate) of Rs 871.0 crore on total income (net of interest expenses) of Rs 2,090.0 crore, against a profit after tax (including minority interest and profit from associate) of Rs 648.9 crore on total income (net of interest expenses) of Rs 1,577.3 crore for fiscal 2017.

## Key Financial Indicators of JM Financial group

As for the half year ended September 30, 2018	Unit	2018*	2017
<b>Total assets</b>	<b>Rs. Cr.</b>	<b>27,014</b>	<b>20,185</b>
<b>Total income</b>	<b>Rs. Cr.</b>	<b>1,829</b>	<b>1,500</b>
<b>Profit after tax</b>	<b>Rs. Cr.</b>	<b>306</b>	<b>278</b>
<b>Gross NPA</b>	<b>%</b>	<b>0.5</b>	<b>0.6</b>
<b>Adjusted gearing</b>	<b>Times</b>	<b>2.4</b>	<b>2.9</b>

\*post IndAS impact

**Any other information:** Not applicable

## Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on [www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels). Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

## Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Cr)	Rating Outstanding with Outlook
INE523H07346	Non-Convertible Debenture issue	5-Feb-16	Zero Coupon	1-Feb-19	3.00	CRISIL AA/Stable
INE523H07353	Non-Convertible Debenture issue	1-Mar-16	Zero Coupon	3-Apr-19	4.40	CRISIL AA/Stable
INE523H07361	Non-Convertible Debenture issue	22-Mar-16	Zero Coupon	22-Apr-19	3.50	CRISIL AA/Stable
INE523H07379	Non-Convertible Debenture issue	11-Apr-16	Zero Coupon	22-Apr-19	5.40	CRISIL AA/Stable
INE523H07387	Non-Convertible Debenture issue	29-Apr-16	Zero Coupon	25-Apr-19	7.80	CRISIL AA/Stable
INE523H07395	Non-Convertible Debenture issue	9-Jun-16	Zero Coupon	11-Jun-19	5.00	CRISIL AA/Stable
INE523H07403	Non-Convertible Debenture issue <sup>^</sup>	13-Jun-16	Zero Coupon	13-Dec-17	10.00	CRISIL AA/Stable
INE523H07411	Non-Convertible Debenture issue	16-Jun-16	Zero Coupon	14-May-19	6.20	CRISIL AA/Stable
INE523H07429	Non-Convertible Debenture issue	16-Jun-16	Zero Coupon	28-May-19	6.60	CRISIL AA/Stable
INE523H07437	Non-Convertible Debenture issue	16-Jun-16	Zero Coupon	18-Jun-19	5.00	CRISIL AA/Stable
INE523H07445	Non-Convertible Debenture issue	21-Jul-16	Zero Coupon	2-Jul-19	2.80	CRISIL AA/Stable
INE523H07452	Non-Convertible Debenture issue	21-Jul-16	Zero Coupon	23-Jul-19	6.30	CRISIL AA/Stable
INE523H07460	Non-Convertible Debenture issue <sup>^</sup>	16-Aug-16	8.7000%	15-Nov-17	25.00	CRISIL AA/Stable
INE523H07478	Non-Convertible Debenture issue	6-Sep-16	Zero Coupon	6-Aug-19	11.00	CRISIL AA/Stable
INE523H07486	Non-Convertible Debenture issue	6-Sep-16	Zero Coupon	27-Aug-19	5.70	CRISIL AA/Stable
INE523H07494	Non-Convertible Debenture issue <sup>^</sup>	22-Sep-16	8.7000%	22-Dec-17	30.00	CRISIL AA/Stable
INE523H07502	Non-Convertible Debenture issue <sup>^</sup>	30-Sep-16	8.7500%	30-Nov-17	12.50	CRISIL AA/Stable
INE523H07510	Non-Convertible Debenture issue <sup>^</sup>	21-Oct-16	8.3500%	22-Jan-18	25.00	CRISIL AA/Stable
INE523H07528	Non-Convertible Debenture issue <sup>^</sup>	23-Nov-16	8.8145%	1-Jun-18	100.00	CRISIL AA/Stable
INE523H07536	Non-Convertible Debenture issue <sup>^</sup>	28-Dec-16	Zero Coupon	19-Mar-18	50.00	CRISIL AA/Stable
INE523H07544	Non-Convertible Debenture issue <sup>^</sup>	28-Dec-16	Zero Coupon	18-Jun-18	50.00	CRISIL AA/Stable
INE523H07551	Non-Convertible Debenture issue <sup>^</sup>	5-Jan-17	8.3500%	6-Apr-18	25.00	CRISIL AA/Stable
INE523H07692	Non-Convertible Debenture issue <sup>^</sup>	09-Mar-17	8.8803%	10-Aug-18	15.00	CRISIL AA/Stable
INE523H07676	Non-Convertible Debenture issue <sup>^</sup>	09-Mar-17	Zero Coupon	31-Aug-18	100.00	CRISIL AA/Stable
INE523H07643	Non-Convertible Debenture issue <sup>^</sup>	09-Mar-17	8.8878%	7-Sep-18	25.00	CRISIL AA/Stable
INE523H07635	Non-Convertible Debenture issue <sup>^</sup>	09-Mar-17	8.8878%	7-Sep-18	40.00	CRISIL AA/Stable
INE523H07684	Non-Convertible Debenture issue <sup>^</sup>	09-Mar-17	Zero Coupon	7-Sep-18	50.00	CRISIL AA/Stable
INE523H07700	Non-Convertible Debenture issue <sup>^</sup>	22-Mar-17	Zero Coupon	7-Sep-18	25.00	CRISIL AA/Stable
INE523H07650	Non-Convertible Debenture issue <sup>^</sup>	09-Mar-17	8.4000%	11-Sep-18	75.00	CRISIL AA/Stable
	Non-Convertible		Zero			

INE523H07676	Debenture issue <sup>^</sup>	09-Mar-17	Coupon	20-Sep-18	50.00	CRISIL AA/Stable
INE523H07619	Non-Convertible Debenture issue <sup>^</sup>	27-Feb-17	8.8920%	24-Sep-18	30.00	CRISIL AA/Stable
INE523H07734	Non-Convertible Debenture issue <sup>^</sup>	26-May-17	Zero Coupon	23-Nov-18	20.00	CRISIL AA/Stable
INE523H07742	Non-Convertible Debenture issue <sup>^</sup>	26-May-17	8.6897%	23-Nov-18	10.00	CRISIL AA/Stable
INE523H07759	Non-Convertible Debenture issue <sup>^</sup>	26-May-17	8.6897%	23-Nov-18	20.00	CRISIL AA/Stable
INE523H07767	Non-Convertible Debenture issue <sup>^</sup>	26-May-17	Zero Coupon	23-Nov-18	50.00	CRISIL AA/Stable
INE523H07585	Non-Convertible Debenture issue	23-Jan-17	Zero Coupon	7-Apr-20	4.60	CRISIL AA/Stable
INE523H07577	Non-Convertible Debenture issue	12-Jan-17	Zero Coupon	4-May-20	1.80	CRISIL AA/Stable
INE523H07718	Non-Convertible Debenture issue	22-Mar-17	Zero Coupon	6-May-20	2.00	CRISIL AA/Stable
INE523H07569	Non-Convertible Debenture issue	12-Jan-17	Zero Coupon	12-May-20	63.00	CRISIL AA/Stable
INE523H07775	Non-Convertible Debenture issue	26-May-17	Zero Coupon	12-May-20	20.00	CRISIL AA/Stable
INE523H07627	Non-Convertible Debenture issue	27-Feb-17	9.0500%	01-Jul-20	5.70	CRISIL AA/Stable
NA	Non-Convertible Debenture issue*	NA	NA	NA	2562.70	CRISIL AA/Stable
NA	Commercial paper programme	NA	NA	7-365 days	4500	CRISIL A1+
NA	Long-Term Bank Facility	NA	NA	NA	200	CRISIL AA/Stable
NA	Cash Credit	NA	NA	NA	200	CRISIL AA/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	100	CRISIL AA/Stable

\*yet to be issued

<sup>^</sup>CRISIL is awaiting independent confirmation of redemption before withdrawing ratings on these facility

## Annexure - Details of consolidation

Entity consolidated	Extent of consolidation	Rational for consolidation
JM Financial Products Limited	Full	Subsidiary
JM Financial Credit Solutions Limited	Full	Associate
JM Financial Services Limited	Full	Subsidiary
JM Financial Institutional Securities Limited	Full	Subsidiary
JM Financial Capital Limited	Full	Subsidiary
JM Financial Commtrade Limited	Full	Subsidiary
JM Financial Overseas Holdings Private Limited	Full	Subsidiary
JM Financial Singapore Pte Limited	Full	Subsidiary
JM Financial Securities, Inc	Full	Subsidiary
JM Financial Home Loans Limited	Full	Subsidiary
Infinite India Investment Management Limited	Full	Subsidiary
JM Financial Asset Management Limited	Full	Subsidiary
JM Financial Properties and Holdings	Full	Subsidiary
CR Retail Malls (India) Limited	Full	Subsidiary
JM Financial Trustee Company Private	Full	Subsidiary
Astute Investments	Full	Subsidiary

## Annexure - Rating History for last 3 Years

Instrument	Type	Current		2019 (History)		2018		2017		2016		Start of 2016
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	4500.00	CRISIL A1+			29-03-18	CRISIL A1+	15-09-17	CRISIL A1+	09-12-16	CRISIL A1+	CRISIL A1+

# Ratings

								08-09-17	CRISIL A1+	25-11-16	CRISIL A1+	
								01-08-17	CRISIL A1+	26-10-16	CRISIL A1+	
								17-07-17	CRISIL A1+	07-10-16	CRISIL A1+	
								30-06-17	CRISIL A1+	16-09-16	CRISIL A1+	
								19-06-17	CRISIL A1+	31-08-16	CRISIL A1+	
								19-05-17	CRISIL A1+	23-08-16	CRISIL A1+	
								09-05-17	CRISIL A1+	03-08-16	CRISIL A1+	
								26-04-17	CRISIL A1+	13-07-16	CRISIL A1+	
								13-04-17	CRISIL A1+	30-06-16	CRISIL A1+	
								07-03-17	CRISIL A1+	21-06-16	CRISIL A1+	
								03-03-17	CRISIL A1+	28-04-16	CRISIL A1+	
								24-01-17	CRISIL A1+	06-04-16	CRISIL A1+	
										03-02-16	CRISIL A1+	
<b>Commercial Paper Issue</b>	ST		--	--	29-03-18	Withdrawal		15-09-17	CRISIL A1+	09-12-16	CRISIL A1+	CRISIL A1+
								08-09-17	CRISIL A1+	25-11-16	CRISIL A1+	
								01-08-17	CRISIL A1+	26-10-16	CRISIL A1+	
								17-07-17	CRISIL A1+	07-10-16	CRISIL A1+	
								30-06-17	CRISIL A1+	16-09-16	CRISIL A1+	
								19-06-17	CRISIL A1+	31-08-16	CRISIL A1+	
								19-05-17	CRISIL A1+	23-08-16	CRISIL A1+	
								09-05-17	CRISIL A1+	03-08-16	CRISIL A1+	
								26-04-17	CRISIL A1+	13-07-16	CRISIL A1+	
								13-04-17	CRISIL A1+	30-06-16	CRISIL A1+	
								07-03-17	CRISIL A1+	21-06-16	CRISIL A1+	
								03-03-17	Withdrawal	28-04-16	CRISIL A1+	
								24-01-17	CRISIL A1+	06-04-16	CRISIL A1+	
										03-02-16	CRISIL A1+	
<b>Non Convertible Debentures</b>	LT	1007.30 03-01-19	CRISIL AA/Stable		29-03-18	CRISIL AA/Stable		15-09-17	CRISIL AA/Stable	09-12-16	CRISIL AA/Stable	CRISIL AA/Stable
								08-09-17	CRISIL AA/Stable	25-11-16	CRISIL AA/Stable	
								01-08-17	CRISIL AA/Stable	26-10-16	CRISIL AA/Stable	

# Ratings

								17-07-17	CRISIL AA/Stable	07-10-16	CRISIL AA/Stable	
								30-06-17	CRISIL AA/Stable	16-09-16	CRISIL AA/Stable	
								19-06-17	CRISIL AA/Stable	31-08-16	CRISIL AA/Stable	
								19-05-17	CRISIL AA/Stable	23-08-16	CRISIL AA/Stable	
								09-05-17	CRISIL AA/Stable	03-08-16	CRISIL AA/Stable	
								26-04-17	CRISIL AA/Stable	13-07-16	CRISIL AA/Stable	
								13-04-17	CRISIL AA/Stable	30-06-16	CRISIL AA/Stable	
								07-03-17	CRISIL AA/Stable	21-06-16	CRISIL AA/Stable	
								03-03-17	CRISIL AA/Stable	28-04-16	CRISIL AA/Stable	
								24-01-17	CRISIL AA/Stable	06-04-16	CRISIL AA/Stable	
										03-02-16	CRISIL AA/Stable	
<b>Fund-based Bank Facilities</b>	LT/ST	500.00	CRISIL AA/Stable			29-03-18	CRISIL AA/Stable	15-09-17	CRISIL AA/Stable	09-12-16	CRISIL AA/Stable	CRISIL AA/Stable
								08-09-17	CRISIL AA/Stable	25-11-16	CRISIL AA/Stable	
								01-08-17	CRISIL AA/Stable	26-10-16	CRISIL AA/Stable	
								17-07-17	CRISIL AA/Stable	07-10-16	CRISIL AA/Stable	
								30-06-17	CRISIL AA/Stable	16-09-16	CRISIL AA/Stable	
								19-06-17	CRISIL AA/Stable	31-08-16	CRISIL AA/Stable	
								19-05-17	CRISIL AA/Stable	23-08-16	CRISIL AA/Stable	
								09-05-17	CRISIL AA/Stable	03-08-16	CRISIL AA/Stable	
								26-04-17	CRISIL AA/Stable	13-07-16	CRISIL AA/Stable	
								13-04-17	CRISIL AA/Stable	30-06-16	CRISIL AA/Stable	
								07-03-17	CRISIL AA/Stable	21-06-16	CRISIL AA/Stable	
									CRISIL		CRISIL	

								03-03-17	AA/Stable	28-04-16	AA/Stable	
								24-01-17	CRISIL AA/Stable	06-04-16	CRISIL AA/Stable	
										03-02-16	CRISIL AA/Stable	

All amounts are in Rs.Cr.

## Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Cash Credit	200	CRISIL AA/Stable	Cash Credit	200	CRISIL AA/Stable
Long Term Bank Facility	200	CRISIL AA/Stable	Long Term Bank Facility	200	CRISIL AA/Stable
Proposed Long Term Bank Loan Facility	100	CRISIL AA/Stable	Proposed Long Term Bank Loan Facility	100	CRISIL AA/Stable
<b>Total</b>	<b>500</b>	<b>--</b>	<b>Total</b>	<b>500</b>	<b>--</b>

### Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Finance Companies](#)

[CRISILs Criteria for Consolidation](#)

[CRISILs Criteria for rating short term debt](#)

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## IDBI Trusteeship Services Ltd

CIN : U65991MH2001GOI131154

Ref No.: 4896/ITSL/OPR/CL/18-19/DEB/1434/1

Date: July 24, 2019



### JM Financial Products Limited

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

Dear Sirs,

**Re: Proposed Public Issue by JM Financial Products Limited ("Company") of Secured, Rated, Listed, Redeemable, Non Convertible Debentures of face value Rs.1,000 each with a base issue size of 100 crores with an option to retain oversubscription upto 400 crores aggregating upto Rs.500 Crore ("NCDs") through Tranch II ("Issue") – Prospectus within the shelf limit of Rs.2000 Crore**

We, IDBI Trusteeship Services Limited, hereby give our consent to our name being included as Debenture Trustee to the Tranch II Issue in accordance with Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 in the Tranch II Prospectus to be filed with Registrar of Companies, Maharashtra at Mumbai ("ROC") and with the stock exchange(s) where the NCDs are proposed to be listed ("Stock Exchanges") and forwarded to the Securities and Exchange Board of India ("SEBI") for its records in respect of the Issue and all related advertisements, and subsequent periodical communications sent to the holders of the NCDs pursuant to the Issue

We hereby authorise you to deliver this letter of consent to the Stock Exchange(s), the ROC and/or such other regulatory authority, as may be required by law

The following details with respect to us may be disclosed:

Name:	IDBI Trusteeship Services Limited
Address:	IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001
Tel:	(91) (22) 40807000
Fax:	66311776/40807080
Email:	itsl@idbitrustee.com
Website:	www.idbitrustee.com
Contact Person:	Mr. Dinesh Ladwa
Investor Grievance e-mail:	response@idbitrustee.com
SEBI Registration No:	IND000000460

We confirm that we have not been prohibited from SEBI to act as an intermediary in capital market issues. We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We further confirm that no enquiry/investigation is being conducted by SEBI on us. Copy of our SEBI registration certificate and declaration regarding our registration with SEBI in the required format is attached as Annexure A.



We shall immediately intimate the Lead Managers and Issuer of any changes, additions or deletions in respect of the aforesaid details till the date when the NCDs of the Issuer offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and commencement of trading of the NCDs on the Stock Exchanges

We also agree to keep strictly confidential, until such time the proposed Issue is publicly announced by the Company in the form of a press release, (i) the nature and scope of the Issue; and (ii) our knowledge of the Issue of the Company.

Yours faithfully,

**For IDBI Trusteeship Services Limited**



**Authorised Signatory**

**Name: Dinesh Ladwa**

**Designation: Vice President**

**Annexure A**

July 24, 2019

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

Dear Sir / Madam,

**Sub: Proposed public issue ("Issue") of Secured, Rated, Listed, Redeemable, Non-convertible debentures ("NCDs") aggregating to Rs. 500 Crore by JM Financial Products Limited ("Company")**

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee are true and correct:

S. No.	Particulars	Details
1.	Registration Number	IND000000460
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	February 14, 2017
3.	Date of expiry of registration	<i>The Certificate of registration shall be valid unless it is suspended or cancelled by the Board</i>
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	NIL
5.	Details of any pending inquiry/ investigation being conducted by SEBI	NIL
6.	Details of any penalty imposed by SEBI	NIL

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Non-convertible Debentures on the Stock Exchanges.

Sincerely,

**For IDBI Trusteeship Services Limited**

  
**Authorised Signatory**  
**Name: Dinesh Ladwa**  
**Designation: Vice President**



डिबेंचर न्यासी

प्ररूप ख  
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड  
**SECURITIES AND EXCHANGE BOARD OF INDIA**

(डिबेंचर न्यासी) विनियम, 1993  
(DEBENTURE TRUSTEE) REGULATIONS, 1993

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(विनियम ४)  
(Regulation ४)

रजिस्ट्रीकरण प्रमाणपत्र  
**CERTIFICATE OF REGISTRATION**

- 1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,  
1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

**IDBI TRUSTEESHIP SERVICES LIMITED  
ASIAN BUILDING, GROUND FLOOR  
17, R. KAMANI MARG  
BALLARD ESTATE  
MUMBAI-400 001**

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।  
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

- 2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कोड  
2) Registration Code for the debenture trustee is

हे।  
**IND000000460**

- 3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र  
3) Unless renewed, the certificate of registration is valid from

से तक विधिमान्य है।  
**This certificate of registration shall be valid unless  
it is suspended or cancelled by the board**

स्थान Place : **MUMBAI**

तारीख Date : **FEBRUARY 14, 2017**



आदेश से  
भारतीय प्रतिभूति और विनिमय बोर्ड  
के लिए और उसकी ओर से  
By order  
For and on behalf of  
**Securities and Exchange Board of India**

*M. J. Sanparote*  
**MEDHASONPAROTE**

प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

## CASH FLOWS FOR VARIOUS SERIES

### ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS.

**Investors should note that the below examples are solely for illustrative purposes and is not specific to the Issue.**

Set forth below is an illustration for guidance in respect of the day count convention and effect of holidays on payments.

Face value per Bond (In Rs.)	1,000
Deemed Date of Allotment (assumed)	September 11, 2019
Day count convention	Actual / Actual

### Series I

Company	JM Financial Products Limited
Face Value (per Security)	1,000.00
No. of NCD Held (Assumed)	100
Redemption Date	November 11, 2022
Tenor from Deemed Date of allotment	38 months
Coupon Rate for all Category of Investors	10.20%
Frequency of the interest payment with specified dates	First interest on September 11, 2020 and subsequently on the September 11th every year and the last interest payment will be made at the time of redemption of the NCDs.

Cash Flows	Due Date of Payment	Actual Pay out Date	No. of Days in Coupon Period	For all category of Investors (Rs.)
Initial Amount	Wednesday, Sep 11, 2019			<b>(1,00,000.00)</b>
1st Coupon	Friday, Sep 11, 2020	Friday, Sep 11, 2020	366	10,200.00
2nd Coupon	Saturday, Sep 11, 2021	Saturday, Sep 11, 2021	365	10,200.00
3rd Coupon	Sunday, Sep 11, 2022	Monday, Sep 12, 2022	365	10,200.00
4 <sup>th</sup> Coupon	Friday, Nov 11, 2022	Friday, Nov 11, 2022	61	1,704.66
Principal/ Maturity value	Friday, Nov 11, 2022	Friday, Nov 11, 2022		1,00,000.00
<b>Total Cash Flows</b>				<b>1,32,304.66</b>
			<b>Effective Yield</b>	<b>10.21%</b>

## Series II

Company	JM Financial Products Limited
Face Value (per Security)	1,000.00
No. of NCD Held (Assumed)	100
Redemption Date	November 11, 2022
Tenor from Deemed Date of allotment	38 months
Coupon Rate for all Category of Investors	NA
Frequency of the interest payment with specified dates	NA

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all category of Investors (Rs.)	For Senior Citizens
Initial Amount	Wednesday, Sep 11, 2019			(1,00,000.00)	(1,00,000.00)
Principal/Maturity value	Friday, Nov 11, 2022	Friday, Nov 11, 2022	1157	1,36,054.00	1,36,445.00
<b>Total Cash Flows</b>				<b>1,36,054.00</b>	<b>1,36,445.00</b>
			<b>Effective Yield</b>	<b>10.20%</b>	<b>10.30%</b>

## Series III

Company	JM Financial Products Limited
Face Value (per Security)	1,000.00
No. of NCD Held (Assumed)	100
Redemption Date	September 11, 2024
Tenor from Deemed Date of allotment	60 months
Coupon Rate for all Category of investors	10.30%
Frequency of the interest payment with specified dates	First interest on September 11, 2020 and subsequently on the September 11th every year and the last interest payment will be made at the time of redemption of the NCDs.

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all category of Investors (Rs.)
Initial Amount	Wednesday, Sep 11, 2019			(1,00,000.00)
1st Coupon	Friday, Sep 11, 2020	Friday, Sep 11, 2020	366	10,300.00
2nd Coupon	Saturday, Sep 11, 2021	Saturday, Sep 11, 2021	365	10,300.00
3rd Coupon	Sunday, Sep 11, 2022	Monday, Sep 12, 2022	365	10,300.00

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all category of Investors (Rs.)
4th Coupon	Monday, Sep 11, 2023	Monday, Sep 11, 2023	365	10,300.00
5th Coupon	Wednesday, Sep 11, 2024	Wednesday, Sep 11, 2024	366	10,300.00
Principal/Maturity value	Wednesday, Sep 11, 2024	Wednesday, Sep 11, 2024		1,00,000.00
<b>Total Cash Flows</b>				<b>1,51,500.00</b>
			<b>Effective Yield</b>	<b>10.29%</b>

#### Series IV

Company	JM Financial Products Limited
Face value (per security)	1,000.00
No. of NCD Held (Assumed)	100
Redemption	September 11, 2024
Tenor from Deemed Date of allotment	60 months
Coupon Rate for all Category of Investors	9.85%
Frequency of the interest payment with specified dates	First interest on November 01, 2019 and subsequently on the 1st day of every month. Last interest payment will be made on date of redemption of NCD on pro rata basis (if applicable).

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all category of Investors (Rs.)
Initial Amount	Wednesday, Sep 11, 2019			<b>(1,00,000.00)</b>
1st Coupon	Friday, Nov 01, 2019	Friday, Nov 01, 2019	51	1,372.54
2nd coupon	Sunday, Dec 01, 2019	Monday, Dec 02, 2019	30	807.38
3rd Coupon	Wednesday, Jan 01, 2020	Wednesday, Jan 01, 2020	31	834.29
4th Coupon	Saturday, Feb 01, 2020	Saturday, Feb 01, 2020	31	834.29
5th Coupon	Sunday, Mar 01, 2020	Monday, Mar 02, 2020	29	780.46
6th Coupon	Wednesday, Apr 01, 2020	Thursday, Apr 02, 2020	31	834.29
7th Coupon	Friday, May 01, 2020	Saturday, May 02, 2020	30	809.59
8th Coupon	Monday, Jun 01, 2020	Monday, Jun 01, 2020	31	836.58

<b>Cash Flows</b>	<b>Due Date</b>	<b>Actual Payout Date</b>	<b>No. of Days in Coupon Period</b>	<b>For all category of Investors (Rs.)</b>
9th Coupon	Wednesday, Jul 01, 2020	Wednesday, Jul 01, 2020	30	809.59
10th Coupon	Saturday, Aug 01, 2020	Saturday, Aug 01, 2020	31	836.58
11th Coupon	Tuesday, Sep 01, 2020	Tuesday, Sep 01, 2020	31	836.58
12th Coupon	Thursday, Oct 01, 2020	Thursday, Oct 01, 2020	30	809.59
13th Coupon	Sunday, Nov 01, 2020	Monday, Nov 02, 2020	31	836.58
14th Coupon	Tuesday, Dec 01, 2020	Tuesday, Dec 01, 2020	30	809.59
15th Coupon	Friday, Jan 01, 2021	Friday, Jan 01, 2021	31	836.58
16th Coupon	Monday, Feb 01, 2021	Monday, Feb 01, 2021	31	836.58
17th Coupon	Monday, Mar 01, 2021	Monday, Mar 01, 2021	28	755.62
18th Coupon	Thursday, Apr 01, 2021	Friday, Apr 02, 2021	31	836.58
19th Coupon	Saturday, May 01, 2021	Monday, May 03, 2021	30	809.59
20th Coupon	Tuesday, Jun 01, 2021	Tuesday, Jun 01, 2021	31	836.58
21st Coupon	Thursday, Jul 01, 2021	Thursday, Jul 01, 2021	30	809.59
22nd Coupon	Sunday, Aug 01, 2021	Monday, Aug 02, 2021	31	836.58
23rd Coupon	Wednesday, Sep 01, 2021	Wednesday, Sep 01, 2021	31	836.58
24th Coupon	Friday, Oct 01, 2021	Friday, Oct 01, 2021	30	809.59
25th Coupon	Monday, Nov 01, 2021	Monday, Nov 01, 2021	31	836.58
26th Coupon	Wednesday, Dec 01, 2021	Wednesday, Dec 01, 2021	30	809.59
27th Coupon	Saturday, Jan 01, 2022	Saturday, Jan 01, 2022	31	836.58
28th Coupon	Tuesday, Feb 01, 2022	Tuesday, Feb 01, 2022	31	836.58
29th Coupon	Tuesday, Mar 01, 2022	Tuesday, Mar 01, 2022	28	755.62
30th Coupon	Friday, Apr 01, 2022	Saturday, Apr 02, 2022	31	836.58
31st Coupon	Sunday, May 01, 2022	Monday, May 02, 2022	30	809.59

<b>Cash Flows</b>	<b>Due Date</b>	<b>Actual Payout Date</b>	<b>No. of Days in Coupon Period</b>	<b>For all category of Investors (Rs.)</b>
32nd Coupon	Wednesday, Jun 01, 2022	Wednesday, Jun 01, 2022	31	836.58
33rd Coupon	Friday, Jul 01, 2022	Friday, Jul 01, 2022	30	809.59
34th Coupon	Monday, Aug 01, 2022	Monday, Aug 01, 2022	31	836.58
35th Coupon	Thursday, Sep 01, 2022	Thursday, Sep 01, 2022	31	836.58
36th Coupon	Saturday, Oct 01, 2022	Saturday, Oct 01, 2022	30	809.59
37th Coupon	Tuesday, Nov 01, 2022	Tuesday, Nov 01, 2022	31	836.58
38th Coupon	Thursday, Dec 01, 2022	Thursday, Dec 01, 2022	30	809.59
39th Coupon	Sunday, Jan 01, 2023	Monday, Jan 02, 2023	31	836.58
40th Coupon	Wednesday, Feb 01, 2023	Wednesday, Feb 01, 2023	31	836.58
41st Coupon	Wednesday, Mar 01, 2023	Wednesday, Mar 01, 2023	28	755.62
42nd Coupon	Saturday, Apr 01, 2023	Monday, Apr 03, 2023	31	836.58
43rd Coupon	Monday, May 01, 2023	Tuesday, May 02, 2023	30	807.38
44th Coupon	Thursday, Jun 01, 2023	Thursday, Jun 01, 2023	31	834.29
45th Coupon	Saturday, Jul 01, 2023	Saturday, Jul 01, 2023	30	807.38
46th Coupon	Tuesday, Aug 01, 2023	Tuesday, Aug 01, 2023	31	834.29
47th Coupon	Friday, Sep 01, 2023	Friday, Sep 01, 2023	31	834.29
48th Coupon	Sunday, Oct 01, 2023	Tuesday, Oct 03, 2023	30	807.38
49th Coupon	Wednesday, Nov 01, 2023	Wednesday, Nov 01, 2023	31	834.29
50th Coupon	Friday, Dec 01, 2023	Friday, Dec 01, 2023	30	807.38
51st Coupon	Monday, Jan 01, 2024	Monday, Jan 01, 2024	31	834.29
52nd Coupon	Thursday, Feb 01, 2024	Thursday, Feb 01, 2024	31	834.29
53rd Coupon	Friday, Mar 01, 2024	Friday, Mar 01, 2024	29	780.46
54th Coupon	Monday, Apr 01, 2024	Tuesday, Apr 02, 2024	31	834.29

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all category of Investors (Rs.)
55th Coupon	Wednesday, May 01, 2024	Thursday, May 02, 2024	30	809.59
56th Coupon	Saturday, Jun 01, 2024	Saturday, Jun 01, 2024	31	836.58
57th Coupon	Monday, Jul 01, 2024	Monday, Jul 01, 2024	30	809.59
58th Coupon	Thursday, Aug 01, 2024	Thursday, Aug 01, 2024	31	836.58
59th Coupon	Sunday, Sep 01, 2024	Monday, Sep 02, 2024	31	836.58
60th Coupon	Wednesday, Sep 11, 2024	Wednesday, Sep 11, 2024	10	269.86
Principal / Maturity value	Wednesday, Sep 11, 2024	Wednesday, Sep 11, 2024		1,00,000.00
<b>Total Cash Flows</b>				<b>1,49,262.16</b>
			<b>Effective Yield</b>	<b>10.30%</b>

### Series V

Company	JM Financial Products Limited
Face Value (per Security)	1,000.00
No. of NCD Held (Assumed)	100
Redemption Date	September 11, 2026
Tenor from Deemed Date of allotment	84 months
Coupon Rate for all Category of Investors	NA
Frequency of the interest payment with specified dates	NA

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all category of Investors (Rs.)	For Senior Citizens
Initial Amount	Wednesday, Sep 11, 2019			<b>(1,00,000.00)</b>	<b>(1,00,000.00)</b>
Principal/ Maturity value	Friday, Sep 11, 2026	Friday, Sep 11, 2026	2557	2,00,000.00	2,01,270.00
<b>Total Cash Flows</b>				<b>2,00,000.00</b>	<b>2,01,270.00</b>
			<b>Effective Yield</b>	<b>10.40%</b>	<b>10.50%</b>

**Assumptions:**

1. The Deemed Date of Allotment is assumed to be September 11, 2019. If the Deemed Date of Allotment undergoes a change, the coupon payments dates, redemption dates, redemption amount and other cash flow working shall be changed accordingly.
2. Interest payable during the Financial Year 2019-2020 and 2023-2024 being leap years, have been calculated for 366 days.
3. In the event, the interest / pay-out of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer.

**Note:** The Coupon/ Interest Payments are rounded-off to nearest rupee as per FIMMDA 'Handbook on market practices'.

## Annexure

## Statement of Capitalisation as at June 30, 2019

(Rupees In Crore)

Sr. No.	Particulars	Pre issue As at June 30, 2019	Post issue
I	<b>Borrowings</b>		
	Debt Securities	4,276.3	4,776.3
	Borrowings ( Other than Debt Securities)	1,185.6	1,185.6
	<b>Total Borrowings (A)</b>	<b>5,461.8</b>	<b>5,961.8</b>
II	<b>Shareholders fund</b>		
	Share Capital	544.5	544.5
	Securities Premium Reserve	38.2	38.2
	Statutory Reserve	317.3	317.3
	Capital Redemption Reserve	0.0	0.0
	Balance in Profit & Loss Account	722.1	722.1
	<b>Total Shareholders fund (B)</b>	<b>1,622.1</b>	<b>1,622.1</b>
	<b>Total Debt/Equity (A/B)</b>	<b>3.4</b>	<b>3.7</b>

## Note :

- 1 Borrowing does not include lease liability as per Ind AS 116 of Rs 81.9 crore as of June 30,2019.

- 2 The debt equity ratio post the issue is indicative on account of the assumed inflow of Rs.500 Crores from the proposed issue in the secured debt category as on June 30, 2019 and does not include contingent liabilities and off balance sheet liabilities. The actual debt equity ratio post the issue would depend on the actual position of debt and equity on the deemed date of allotment. Out of the total Shelf Prospectus limit of Rs.2,000 crore, the Company has already allotted 38,69,760 debentures of Rs.1,000 each aggregating to Rs. 386.98 crore on May 21, 2019

Total Debt / Equity has been computed as :

Total borrowings  
Total Shareholders funds

Certified to be correct

For and on behalf of the Board of Directors of JM Financial Products Limited



Nishit Shah  
Chief Financial Officer

Place :- Mumbai

Date : July 31, 2019



Stamped & initialled  
for identification

JM Financial Products Limited

Corporate Identity Number : U74140MH1984PLC033397

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

T: +91 22 6630 3030 F: +91 22 6630 3344 www.jmfi.com

## Annexure

Statement of Accounting Ratio		
Sr No.	Particulars	For the year Ended March 31, 2019
	Number of equity shares at the beginning of the year	544,500,000
	Number of equity shares at the end of the year	544,500,000
	Weighted average number of equity shares outstanding during the year (For calculating basic and dilutive EPS)	544,500,000
	Net profit after tax available for equity shares (Rs. in crore)	204.3
	Shareholders' fund at the end of the year (Rs in crore) *#	1,560.3
	Average shareholders' fund during the year [(Opening+Closing)/2] (Rs in crore)	1,513.8
	Earning Per Share (EPS) (Face value of Rs.10/- each):	
A	Basic Earning Per Share (EPS) Rs.	3.75
B	Dilutive Earning Per Share (EPS) Rs.	3.75
	<b>Return on Shareholders' Fund (%)</b>	
C	Considering Shareholders' fund at the end of the year	13.1%
D	Considering Average Shareholders' fund during the year	13.5%
E	Net Asset Value Per Share (Rs)	28.65
	Total Borrowing (Rs in crores)	4,523.4
F	Debt Equity Ratio	2.9
<b>Notes</b>		
A	Basic Earning Per Share (EPS) Rs	$\frac{\text{Net Profit attributable to equity shareholder}}{\text{Weighted average number of equity shares outstanding during the year}}$
B	Dilutive Earning Per Share (EPS) Rs.	$\frac{\text{Net Profit attributable to equity shareholder}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$
C	Return on Shareholders' Fund Considering Shareholders' fund at the end of the year %	$\frac{\text{Net Profit after Tax}}{\text{Shareholders' Fund at the end of the year}}$
D	Return on Shareholders' Fund Considering Average Shareholders' fund during the year %	$\frac{\text{Net Profit after Tax}}{\text{Average Shareholders' Fund during the year}}$
E	Net Asset Value Per Share	$\frac{\text{Shareholders' Fund at the end of the year}}{\text{Number of equity shares outstanding during the year}}$
F	Debt Equity	$\frac{\text{Total Borrowings}}{\text{Shareholders' Fund}}$
* Shareholders' Fund = Share Capital + Reserves and Surplus		
# The above shareholders' fund calculation is based on the audited Financial Statement in compliance with the Section 2(57) of the Companies Act, 2013		
 		<p>Certified to be true and correct For and on behalf of the Board of Directors of JM Financial Products Limited</p> <p><i>Ntshah</i></p> <p>Nishit Shah Chief Financial Officer Mumbai, dated: July 31, 2019</p>

Stamped & initialled  
for identification

**JM Financial Products Limited**

Corporate Identity Number : U74140MH1984PLC033397

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

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## Annexure A

JM Financial Products Limited

## Statement of Tax Shelter

Particulars	Rs. in Crore
	For the year ended March 31, 2019
Profit before Taxes	315.8
Statutory Tax Rate	34.94%
Tax as above rate	110.3
<b>Adjustments for differences</b>	
IND AS Adjustments	(1.6)
Difference between tax depreciation and book depreciation	0.5
Donations	3.4
Disallowance of Provision for Standard assets	3.3
Provision for doubtful debts	-
Gratuity	0.3
Leave encashment	0.4
Provision for doubtful loans written back	-
Leased Vehicles	0.0
Allowable under section 43 B	(0.8)
Disallowance u/s 14A	-
Dividend income	-
Loss / (Profit) on Sale of Fixed Assets	-
Loss on Sale of Investment	-
Income tax Expenses	-
Provision for doubtful loans Section 36 (1) (viii a)	-
Income taxable under the head capital gains	(46.8)
<b>Total</b>	<b>(41.3)</b>
Tax savings thereon	(14.4)
Capital gain tax	16.4
<b>Total taxation</b>	<b>112.3</b>
<b>Adjustments: Excess / Short Provision of Tax</b>	
<b>Actual Provision for tax as per Statement of profit and loss</b>	<b>112.3</b>

Certified to be correct

For JM Financial products Limited



Nishit Shah  
(Chief Financial Officer)



Place: Mumbai

Date:

JM Financial Products Limited

Corporate Identity Number : U74140MH1984PLC033397

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

T: +91 22 6630 3030 F: +91 22 6630 3344 www.jmfi.com

**Annexure****Statement of Dividends for the year ended March 31, 2019**

<b>Particulars</b>	<b>For the year Ended March 31, 2019</b>
Equity Share Capital (Rs. in Crore)	544.50
Number of shares	544,500,000
Face value of Shares(Rs.)	10.00
Dividend declared (Interim) (%)	7%
Dividend per share (Interim) (Rs.)	0.70
Dividend declared (Final) (%)	2%
Dividend per share (Final) (Rs.)	0.20

**For and on behalf of the Board of Directors of JM Financial Products Limited**

*Ntshah*

**Nishit Shah**  
**Chief Financial Officer**  
**Mumbai, dated: July 31, 2019**



**Stamped & initialled  
for identification**