

JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED

(Formerly known as JM Financial Asset Reconstruction Company Private Limited)

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

Tel No.: +91 22 6630 3030 • **Fax :** +91 22 6630 3223 • **Website :** www.jmfinancialarc.com • **Email ID :** nikhil.bhandary@jmfl.com

CIN: U67190MH2007PLC174287

NOTICE

NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING OF THE MEMBERS OF JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED (THE COMPANY) WILL BE HELD ON FRIDAY, FEBRUARY 23, 2018 AT 5.00 P.M. AT 7TH FLOOR, CNERGY, APPASAHEB MARATHE MARG, PRABHADEVI, MUMBAI – 400 025 TO TRANSACT THE FOLLOWING BUSINESS:

SPECIAL BUSINESS:

1. **Increase in authorised share capital of the Company**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification or re-enactment thereof, for the time being in force, the authorised share capital of the Company be and is hereby increased from ₹ 450,00,00,000/- (Rupees Four Hundred and Fifty Crore only) divided into 30,00,00,000 (Thirty Crore) equity shares of ₹ 10/- (Rupees Ten only) each and 15,00,00,000 (Fifteen Crore) preference shares of ₹ 10/- (Rupees Ten only) each, to ₹ 2000,00,00,000/- (Rupees Two Thousand Crore only) divided into 185,00,00,000 (One Hundred and Eighty Five Crore) equity shares of ₹ 10/- (Rupees Ten only) each and 15,00,00,000 (Fifteen Crore) preference shares of ₹ 10/- (Rupees Ten only) each.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to this resolution.”

2. **To alter the Memorandum of Association with respect to increase in authorised share capital of the Company**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 13 and 61 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, including any statutory modification or re-enactment thereof, for the time being in force, the Memorandum of Association of the Company be and is hereby altered as follows:

The existing Clause V (a) of the Memorandum of Association of the Company be deleted and the following new Clause V (a) be substituted in place thereof:

The Authorised Share Capital of the Company is ₹ 2000,00,00,000/- (Rupees Two Thousand Crore only) divided into 185,00,00,000 (One Hundred and Eighty Five Crore) equity shares of

₹ 10/- (Rupees Ten only) each and 15,00,00,000 (Fifteen Crore) preference shares of ₹ 10/- (Rupees Ten only) each.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to this resolution.”

3. Increase in borrowing powers

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the resolution passed by the Members of the Company at their Extraordinary General Meeting held on December 27, 2017 and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification or re-enactment thereof, for the time being in force, and subject to the provisions of the Company’s Memorandum and Articles of Association, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall include any Committee thereof), to borrow, from time to time, as the Board may think fit, any sum or sums of money in any manner, notwithstanding that the monies to be so borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves PROVIDED HOWEVER THAT the aggregate amount of monies to be borrowed by the Company and remaining outstanding at any point of time, shall not exceed ₹ 7,500 Crore (Rupees Seven Thousand Five Hundred Crore only).”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to decide all the terms and conditions for the monies to be thus borrowed at its absolute discretion and to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto.”

4. Issue of Non-Convertible Debentures on private placement basis

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the resolution passed by the Members of the Company at their Extraordinary General Meeting held on December 27, 2017 and pursuant to the provisions of Sections 23, 42, 71 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force and pursuant to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time, and the regulations, circulars and clarifications issued by the Reserve Bank of India from time to time to the extent applicable to the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall include any of the Committee thereof) to offer, issue and allot secured/unsecured, listed/unlisted, redeemable Non-convertible Debentures, in one or more series/tranches aggregating up to ₹ 7,000 Crore (Rupees Seven Thousand Crore only), on private placement basis, on such terms and conditions as the Board may, from time to time, determine in the best interests of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto.”

By Order of the Board

Sd/-
Nikhil Bhandary
Company Secretary

Date: January 15, 2018

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025

CIN: U67190MH2007PLC174287

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE VALID MUST BE DULY FILLED IN ALL RESPECTS AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

1. The relevant Statement to be annexed to the Notice pursuant to Section 102 of the Companies Act, 2013, is annexed and forms part of the Notice.
2. A person can act as proxy on behalf of Members holding in aggregate not more than ten percent of the total issued and paid up share capital of the Company. A Member holding more than ten percent of the total paid up share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.
3. Bodies Corporate, who are Members of the Company, are requested to send a certified copy of the board resolution authorising their representatives to attend and vote at the Meeting.
4. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their respective Folio Numbers in the attendance slip.
5. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours.
6. Any document in connection with any of the businesses to be transacted at the Meeting is open for inspection at the registered office of the Company on any working day (Monday to Friday) between 2.00 p.m. and 4.00 p.m. up to the date of the Meeting and at the venue thereof.

Annexure to Notice

STATEMENT TO BE ANNEXED TO NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 1 & 2

The regulatory scenario in the Indian financial services & banking sector upon the formation of National Company Law Tribunal (NCLT) and implementation of the Insolvency & Bankruptcy Code, 2016, has brought about a huge opportunity for Asset Reconstruction Companies (ARCs) and other distressed asset investors in India. It is intended to raise the Company's corpus/assets under management (AUM) by making further acquisitions. To fund these acquisitions, the Company will be required to raise equity capital in addition to the borrowings made by it in the ordinary course.

Accordingly, the Board of Directors of the Company at its meeting held on January 15, 2018 has approved raising equity capital for an amount aggregating up to ₹ 850 Crore.

The present authorised share capital of your Company is ₹ 450 Crore divided into 30 Crore equity shares of the face value of ₹ 10/- each and 15 Crore preference shares of ₹ 10/- each. The present issued, subscribed and paid-up equity share capital of the Company is ₹ 241,25,00,000/- (Rupees Two Hundred Forty One Crore and Twenty Five Lakh only) divided into 24,12,50,000 (Twenty Four Crore Twelve Lakh Fifty Thousand) equity shares of ₹ 10/- each. Issuance of further equity shares would require higher authorised share capital to accommodate the said issue.

The Board has, therefore, proposed to increase the present authorised share capital of your Company to ₹ 2000,00,00,000/- (Rupees Two Thousand Crore only) divided into 185,00,00,000 (One Hundred and Eighty Five Crore) equity shares of ₹ 10/- each and 15,00,00,000 (Fifteen Crore) preference shares of ₹ 10/- each.

The Resolution at item no. 1 of the accompanying Notice is for increasing the authorised share capital of the Company as above.

The Resolution at item no. 2 of the accompanying Notice is for alteration of Clause V(a) of the Memorandum of Association of your Company.

A copy of the Company's Memorandum and Articles of Association will be available for inspection at the Registered Office of the Company by any Member between 2.00 p.m. and 5.00 p.m. on any working day (Monday to Friday), up to the date of the Extraordinary General Meeting.

The Board commends passing of the Resolutions proposed at item no. 1 & 2 of the Notice.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 1 & 2 of the Notice.

Item No. 3

Pursuant to Section 180(1)(c) of the Companies Act, 2013 ('the Act'), in case any company wishes to borrow the monies in excess of its paid-up share capital and free reserves, (apart from temporary loans obtained from the company's bankers in the ordinary course of business) it shall obtain consent of the Members by a Special Resolution.

The Members of the Company at the Extraordinary General Meeting held on December 27, 2017 had passed the Special Resolution pursuant to Section 180(1)(c) of the Act authorising the Board to borrow

the moneys up to ₹ 3,000 Crore (Rupees Three Thousand Crore only). Since, the Board has approved the proposal to raise equity capital, the Company shall have options to borrow further and continue to have a maximum borrowing leverage of 3 times of the enhanced share capital / reserves. Accordingly, it is proposed to enhance the overall limit of borrowing from ₹ 3000 Crore to ₹ 7500 Crore and obtain the Members' consent through the Special Resolution to borrow the moneys in excess of the Company's paid up capital and free reserves pursuant to Section 180(1)(c) of the Act subject to a maximum borrowing of ₹ 7,500 Crore and remaining outstanding at any point in time.

The Board commends passing of the Special Resolution proposed at item no. 3 of the Notice.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 3 of the Notice.

Item No. 4

The Members of the Company at their Extraordinary General Meeting held on December 27, 2017, had authorised the Board of Directors to raise funds of up to ₹ 2500 Crore by way of issue of Non-Convertible Debentures (NCDs) on private placement basis, in one or more tranches.

Keeping in mind the further requirement of funds, the Board of Directors of the Company, at its meeting held on January 15, 2018, has decided to increase the said limit and seek the Members' consent to issue NCDs aggregating up to ₹ 7000 Crore.

The amount proposed to be raised through the issue of NCDs may be used, inter alia, for acquisition of new financial assets, refinancing existing borrowings, augmenting the working capital requirements and for general corporate purposes. The consent of the Members is sought for passing the Special Resolution proposed at item no. 4 of the Notice.

The Board commends passing of the Special Resolution proposed at item no. 4 of the Notice.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

By Order of the Board

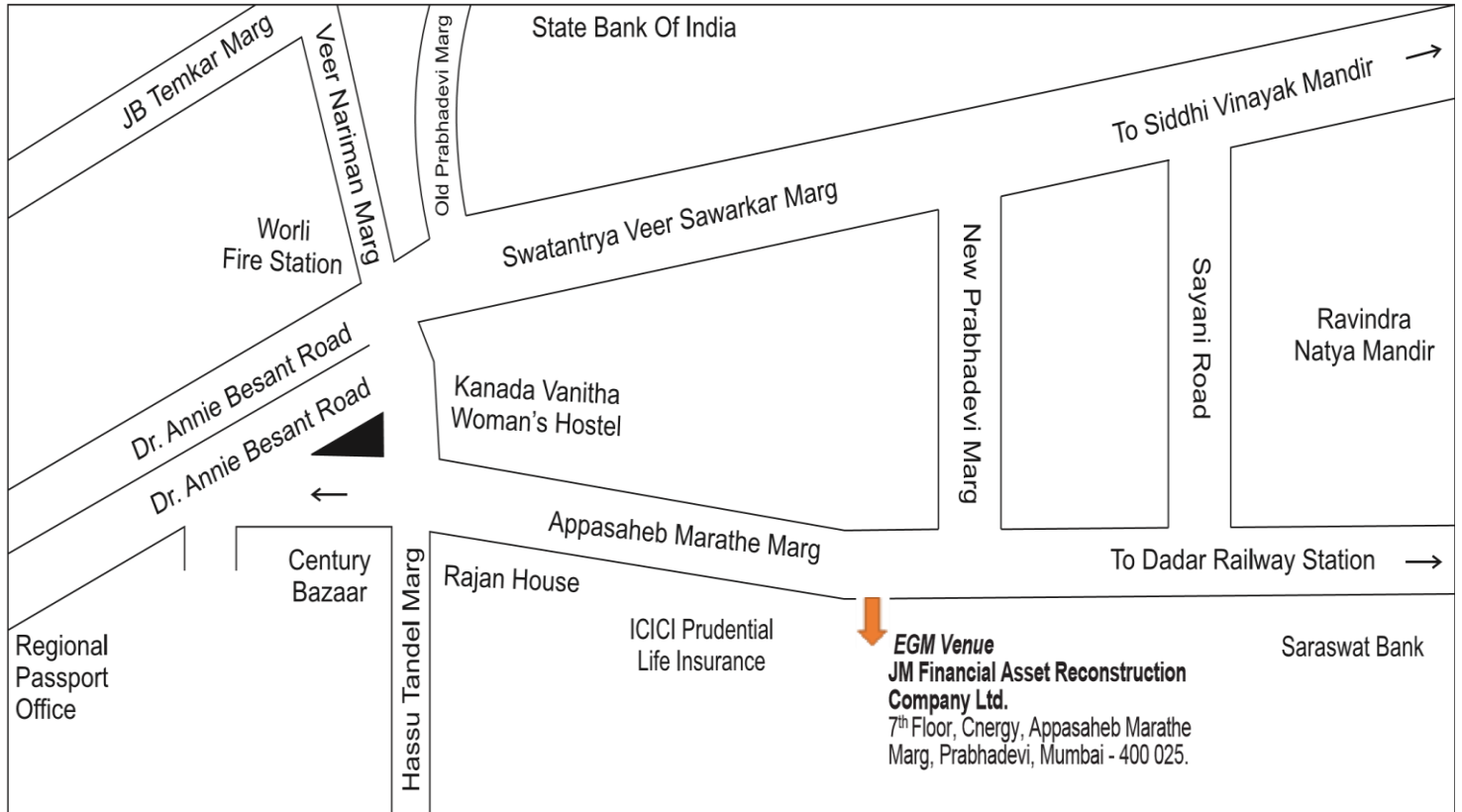
Sd/-
Nikhil Bhandary
Company Secretary

Date: January 15, 2018

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025

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ROUTE MAP FOR THE VENUE OF THE EXTRAORDINARY GENERAL MEETING



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ATTENDANCE SLIP

Extraordinary General Meeting

(To be handed over at the entrance of the Meeting room)

I / We hereby record my / our presence at the **EXTRAORDINARY GENERAL MEETING** of the Company held on **Friday, February 23, 2018** at 5.00 p.m. at the registered office of the Company at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025.

Full name of the Member (in BLOCK LETTERS)

DP ID : _____

Client ID: _____

Folio No.: _____

No. of Shares held: _____

Full name of Proxy (in BLOCK LETTERS)

(To be filled in if the valid proxy has been duly lodged with the Company)

Signature of Member(s)/Proxy _____