

JM Financial Credit Solutions NCD Issue

Executive Summary

Opening Date: 20th November, 2018
Closing Date: 20th December, 2018

- JM Financial Credit Solutions Limited is a Systematically Important Non – Deposit taking Non – Banking Financial Company (“NBFC ND – SI”) forming part of the JM Financial group. The Company is a wholesale finance NBFC and provides integrated financial solutions to real estate developers with a focus on residential project financing such as funding real estate developers at various stages in the life cycle of a real estate project. For the FY 2018, the loan book stood at Rs 7,338.88cr as compared to Rs 5,658.15cr as of FY 2017.
- The company recorded profit before tax of Rs 2.69cr, Rs 70.22cr, Rs 301.72cr, Rs 424.78cr and Rs 504.04cr for FY 2014, FY 2015, FY 2016, FY 2017 and FY 2018 respectively. Profit before tax increased at a CAGR of 92.9% from FY 2015 to FY 2018.
- As of September 30, 2018, advances towards residential projects and commercial projects represented 73.5% and 16.9% of its total advances respectively. As of September 30, 2018, cash flow backed advances represented 86.3% of its total advances. As of September 30, 2018, the company had 85 borrower groups in this business, and the average ticket size of its advances per borrower group was Rs. 102.8cr.

Competitive Strengths of the Company

- Strong background of shareholders along with brand name and parentage of the JM Financial Group
- Well positioned to benefit from industry trends
- Strong financial and operating performance reflected in strong growth, asset quality and returns
- Well defined process, secured loan book and strong asset quality
- Diversified funding sources and strong credit profile adequately capitalized to fund the growth
- Experienced management team

Issue Objectives: Towards onward lending, financing, and for repayment/prepayment of interest & principal of existing borrowings of the Company (at least 75%); and General Corporate Purposes (up to 25%)

Issue Details

Allotment	First Come First Serve Basis, Compulsory in demat form
Face Value & Issue Price	Rs 1,000 per NCD
Nature of Instrument	Secured, Rated, Listed, Redeemable Non-convertible Debentures
Minimum Application	Rs 10,000 (10 NCDs) collectively across all Series & in multiple of Rs 1,000 (1 NCD) thereafter
Listing	NCDs are proposed to be listed on BSE
Rating	'ICRA AA (Outlook: Stable)' by ICRA; 'IND AA (Outlook : Stable)' by India Ratings

Issue & Coupon Structure

Series	I	II	III	IV	V	VI
Interest Payment Frequency	Annual	Cumulative	Annual	Monthly	Annual	Monthly
Tenor	42 months	42 months	60 months	60 months	120 months	120 months
Coupon (%) for all Investor categories	10.00%	NA	10.10%	9.67%	10.25%	9.81%
Effective Yield (Approx per annum)	10.02%	10.00%	10.09%	10.10%	10.24%	10.25%
Redemption amount (Rs per NCD)	Rs. 1,000	Rs. 1,396.15	Rs. 1,000	Rs. 1,000	Rs. 1,000	Rs. 1,000

Who Can Apply

- Category I (Institutional Investors)
- Category II (Non - Institutional Investors)
- Category III (High Networth Individuals >Rs. 10 lakhs)
- Category IV (Retail Investors upto Rs. 10 lakhs)

Note: Non Resident Indians, Person resident outside India, Foreign Institutional Investors/ Foreign Portfolio Investors, Qualified Foreign Investors, Foreign nationals **cannot apply** for this issue.

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 30753450
Compliance Officer: Binkle R. Oza Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600
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