

May 6, 2020

BSE Limited
Department of Corporate Services
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort,
Mumbai 400001

National Stock Exchange of India Limited
Exchange Plaza
Plot No.C-1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051

Security Code: **523405**

Symbol: **JMFINANCIL**

Dear Sirs,

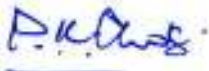
Sub: Corporate Presentation

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Para A of Part A of Schedule III thereto, we wish to inform you that a corporate presentation by JM Financial Credit Solutions Limited (a material subsidiary) is being uploaded on the website of the Company viz., www.jmfl.com for information of the investors. A copy of the said presentation is attached.

We request you to disseminate the above presentation on your website.

Thank You.

Yours faithfully,
for JM Financial Limited

A handwritten signature in blue ink, appearing to read "Prashant Choksi".

Prashant Choksi
Group Head – Compliance, Legal
& Company Secretary

Safe Harbour



This presentation have been prepared solely for information purposes and do not constitute an offer to sell or, recommendation or solicitation of an offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever.

This presentation and the following discussion may contain “forward looking statements” by JM Financial Credit Solutions Limited (“JMFCSL” or the “Company”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives are based on the current beliefs, assumptions, expectations, estimates and projections of the management of JMFCSL about the business, industry and markets in which JMFCSL operates. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. It should be understood that subsequent developments may affect the information contained in this presentation, which the Company is under no obligation to update, revise or affirm. Any liability in respect of this Presentation or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond JMFCSL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

Such statements are not and should not be construed as a representation of future performance or achievements of JMFCSL. In particular, such statements should not be regarded as a projection of future performance of JMFCSL. It should be noted that the actual performance or achievements of JMFCSL may vary significantly from such statements.



1

Business Overview

Overview



JM Financial Group overview

- Presence of over four decades
- Established financial services player with presence in fund based activities, investment banking and securities business, alternative asset management and asset management businesses
- Relationships across the corporate, institutional, HNI and the retail client base

Strong Financial Profile (As of FY 20)

Revenue
Rs. 3,454 Cr

PAT
Rs. 545 Cr

Shareholders equity⁽²⁾
Rs. 7,993 Cr

Total Assets
Rs. 20,693 Cr



46.68%⁽¹⁾

**JM Financial Credit
Solutions Limited**

(NBFC)

53.32%

Other Shareholders

- INH Mauritius 1- 48.96%
- Other Shareholders – 4.36%

JM Financial Credit Solutions Limited overview

- A wholesale finance NBFC providing 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.
Networth of Rs. 3,291 Cr as of March 2020

- **Geographic presence** : Mumbai, Pune, Bangalore, Chennai, Hyderabad, NCR and Kolkata

Key Statistics as of March 31 2020

Loan book
Rs. 7,342 Cr

GNPA 2.09%
NNPA 1.44%

No. of Borrowers
74

FY20 PAT
382 Cr

Gross D / Eq- 1.5
Net D / Eq- 1.2
CRAR 40.25%

ROE 12.2%
ROA 4.4%



Notes

1. JM Financial Limited controlled entity with effective ownership of 46.68%
2. Including minority interests;

Impact of COVID-19



- The Company has provided moratorium as per the RBI guidelines. However company has not sought moratorium from any of its lenders.
- Management overlays have been applied to determine PD and LGDs based on the current available information including potential macro-economic impact.
- **COVID Changes to ECL model**
 - Changes to the PD by downgrading the existing external credit rating by one score.
 - Increasing the LGD to 50% from 25% for loans having security cover greater than 1.60.
 - For stage 3 provisioning, the company has analysed NPA's on a case to case basis and by pushing the expected realisation of cash flows by an average of 1 year and discounting the same with EIR to arrive at the discounted cash flows for estimating the provision required.

Particulars (Rs Cr)	Year ended 31.03.2020
Net profit after tax (Post COVID-19 Impact)	382.3
Add / (Less):	
Additional Provision for expected credit Loss	86.8
Tax impact on above (@25.2%)	(21.8)
Total effect of Covid-19 Impact	64.9
Net profit after tax (Pre COVID-19 Impact)	447.3

Key Products



Construction / Project finance



✓ This includes offering loans to developers for construction of residential or commercial projects.

Loans against property



✓ This includes loans against the residential or commercial properties with occupation certificate.

Loans against shares



✓ This includes loans to promoters against the listed or unlisted shares of corporates

Project at early stage loans

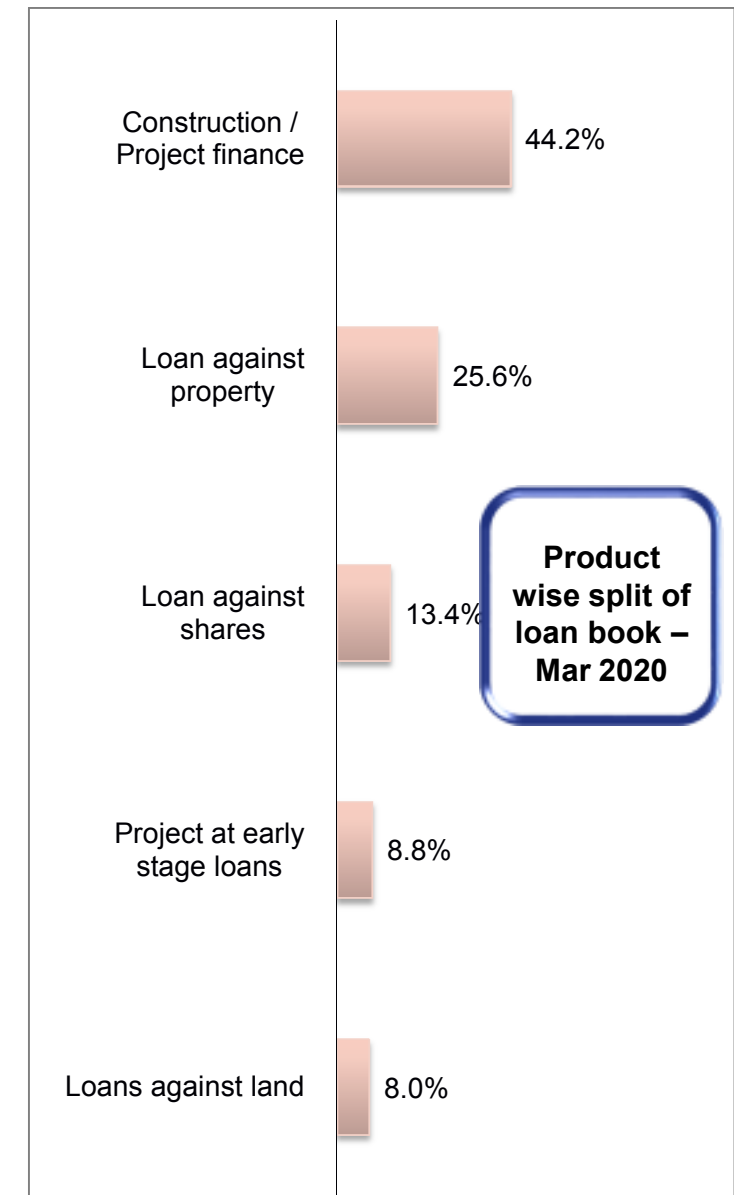


✓ This is primarily undertaken against projects which are expected to be launched soon

Loans against land



✓ This funding is primarily undertaken for land acquisition or against land parcels which are not expected to be launched in the near future



Key Lending Philosophy



- ✓ To be senior secured lender at all times together with focus on risk adjusted profitable growth
- ✓ Avoid entering into consortium arrangements

- ✓ In most cases, we conduct micro market surveys and lend largely to residential projects
- ✓ We ensure that both developers and residential projects are not subject to any concentration risk

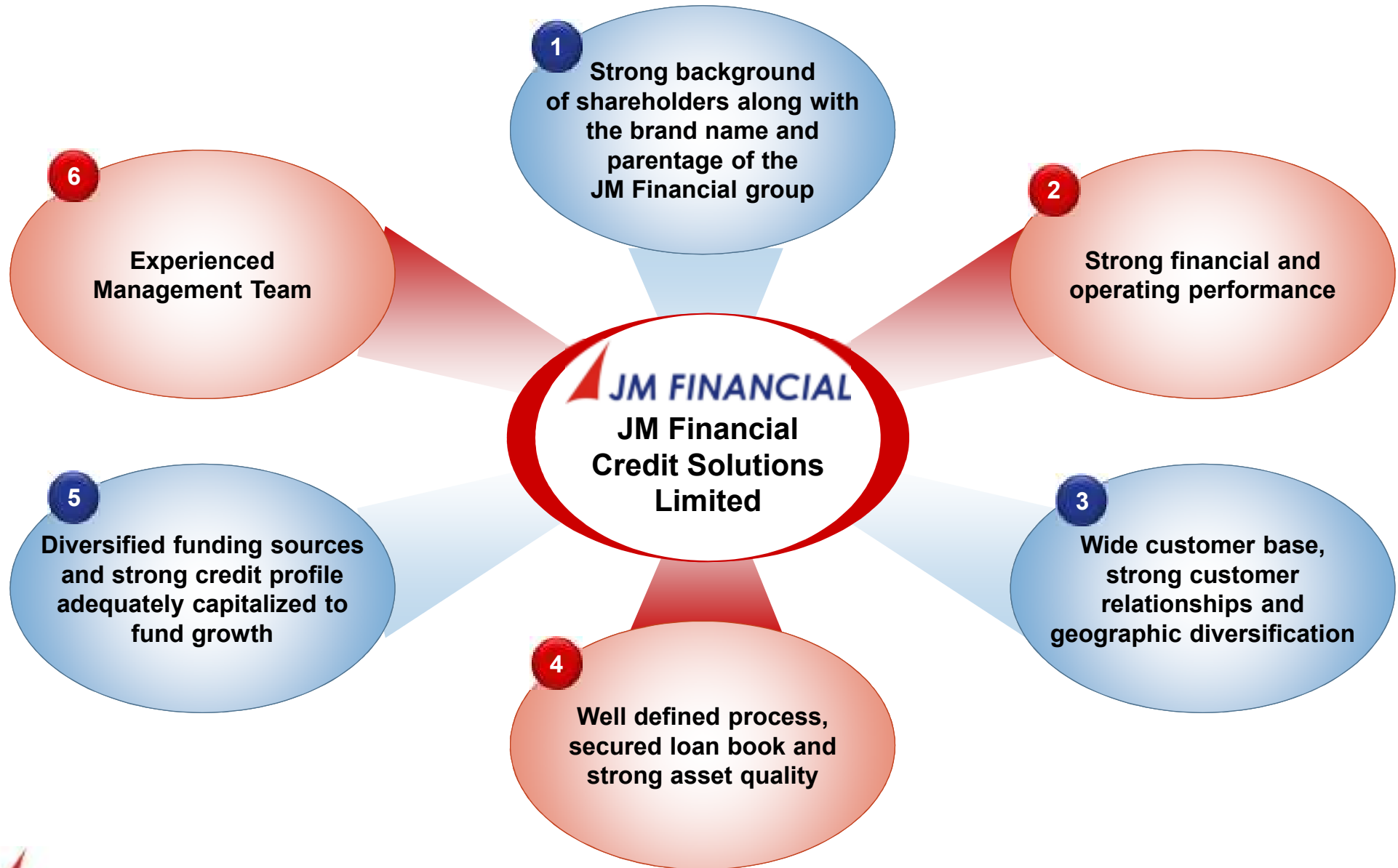
✓ Key developer screening criteria

- Stringent eligibility criteria for borrowers such as minimum delivery track record, experience, commercial presence, networth and profitability
- Meeting at an appropriate stage with management, promoter reference checks and site visits

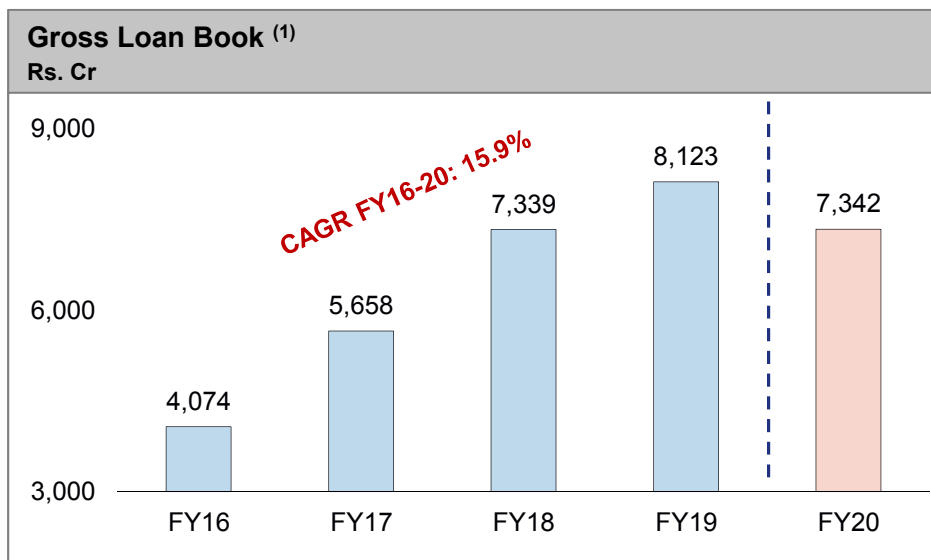
- ✓ Typical loan tenure ranging from 24 to 48 months
- ✓ Secured on the back of collateral; 78.6% are cash flow backed advances as of end of March 2020

- ✓ Timely repayment in escrow account through an escrow mechanism

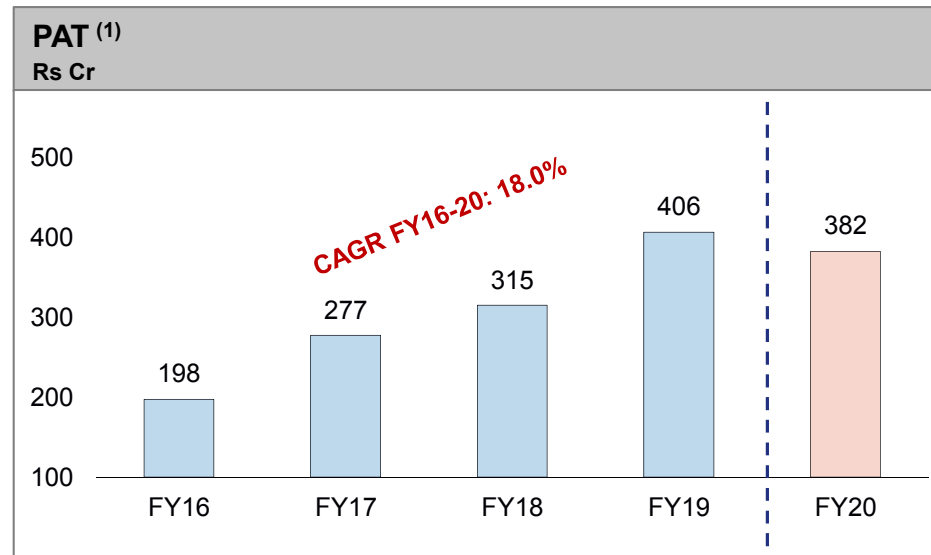
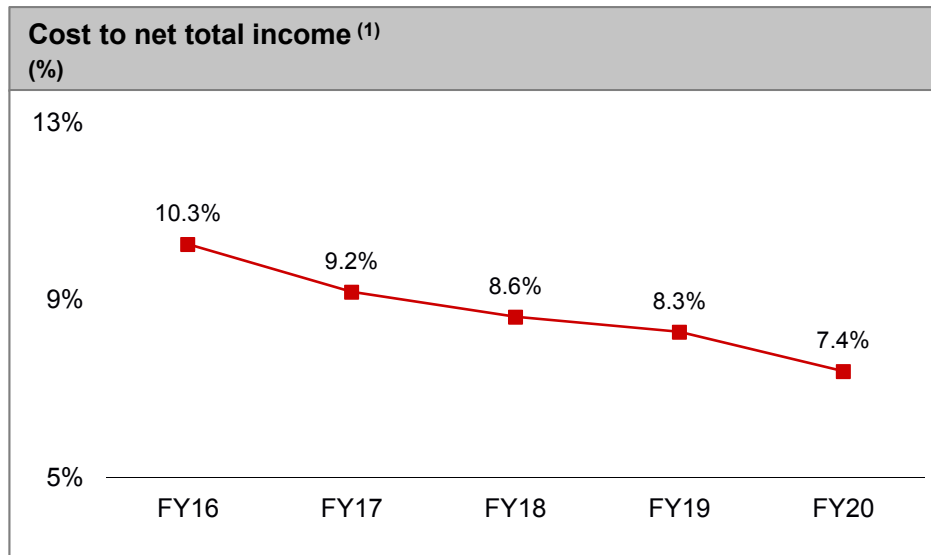
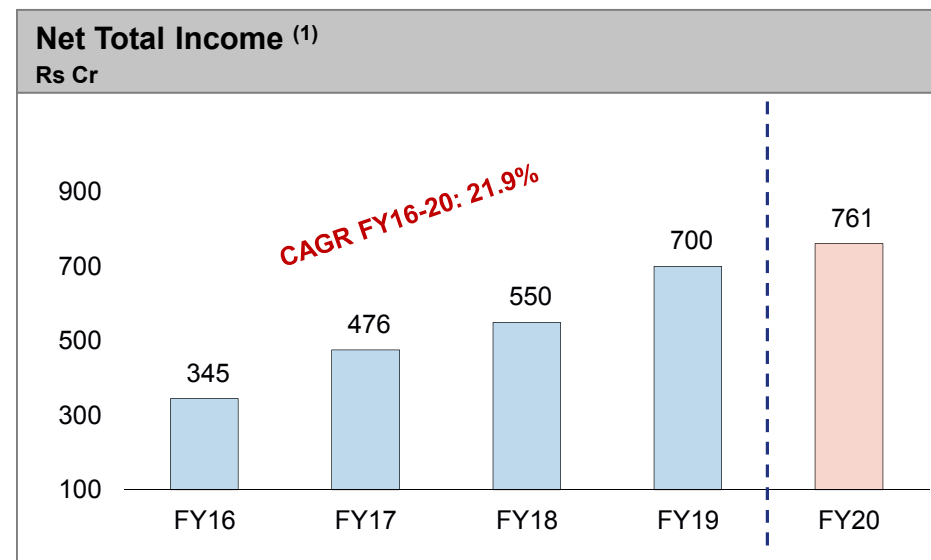
Key Strengths



Strong financial and operating performance



Gross loan book calculated without impact of EIR, Interest accrued and ECL



Notes

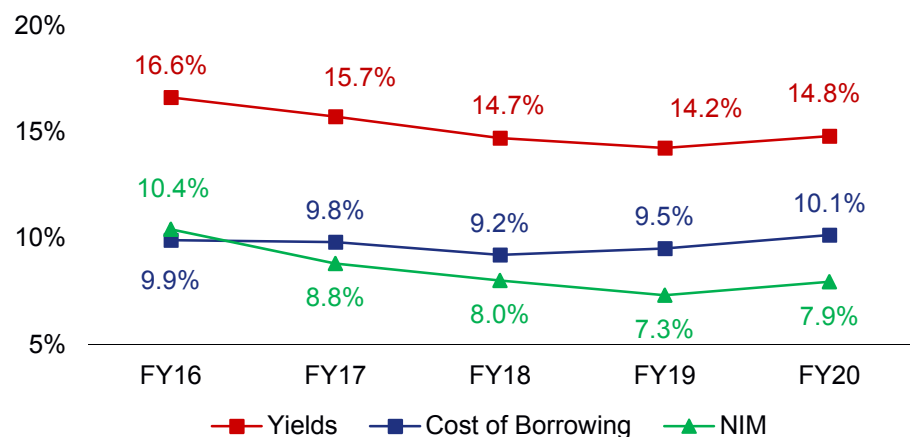
1. Financial and operating information upto FY17 is based on IGAAP.

Strong financial and operating performance (cont'd)



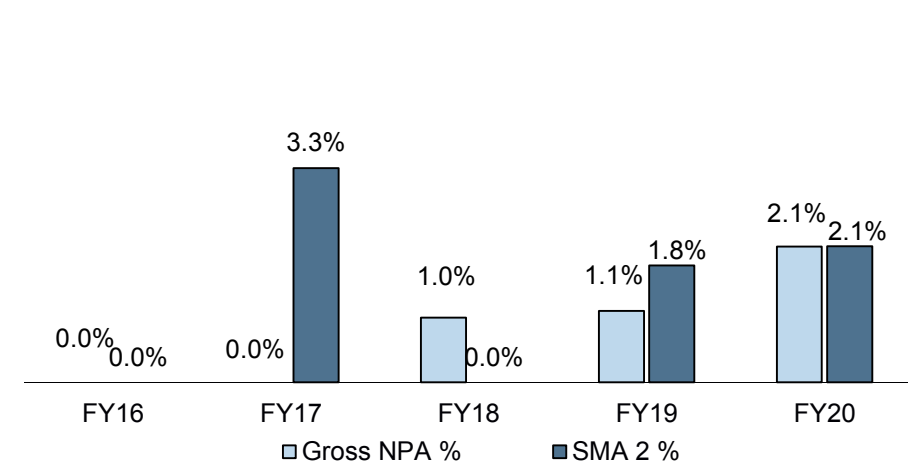
Yields and Margins^(1,2)

Yields, Cost of Borrowing, Net Interest Margin (NIM)(%)



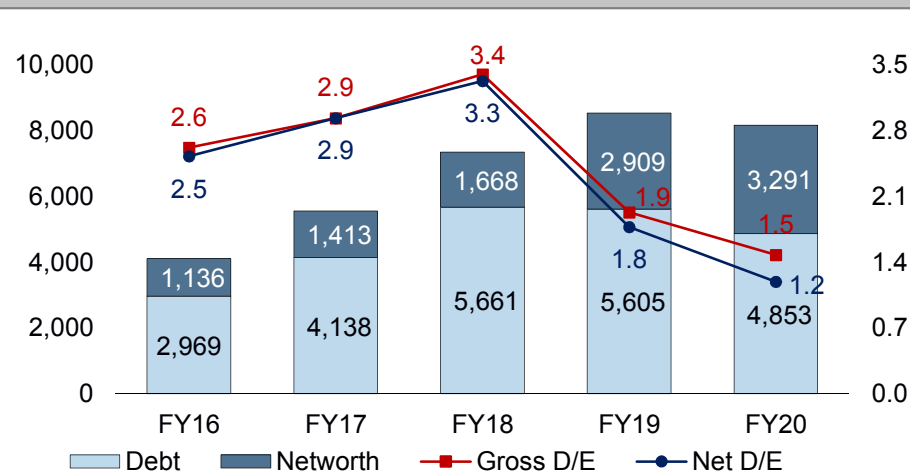
Asset Quality⁽¹⁾

Gross NPA (%) and SMA2 (%)



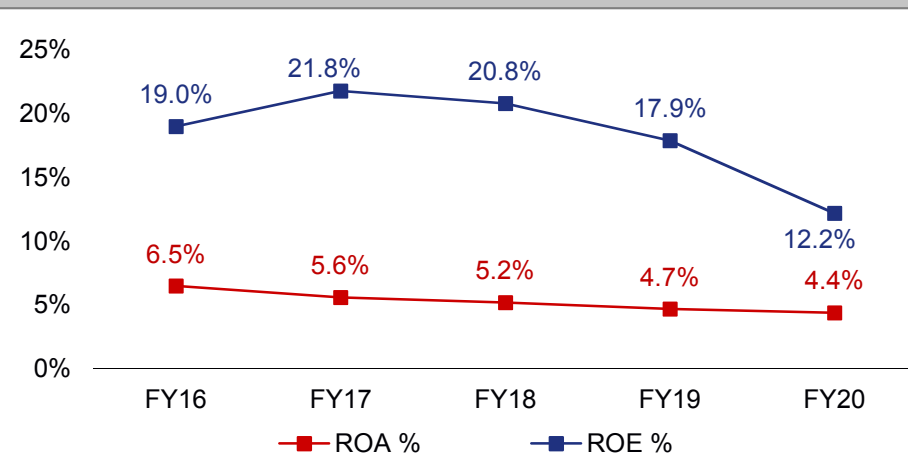
Leverage Analysis⁽¹⁾

Rs Cr



Return Ratios^(1,2)

(%)



Notes

1. Financial and operating information upto FY17 is based on IGAAP.
2. Ratios for FY19 are on an annualized / weighted average basis (on account of equity funds raised in September 2018)

Wide customer base, strong customer relationships and geographic diversification



✓ 74 borrower groups*



✓ Predominant focus on financing residential development

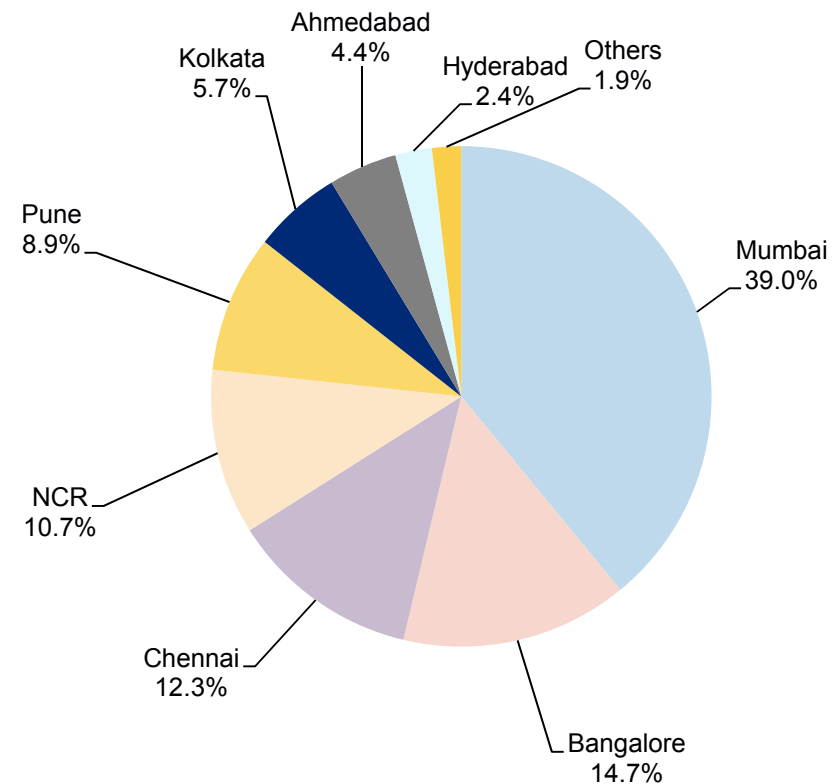


✓ Advances towards residential projects represented 70.3% of total advances and cash flow backed advances represented 78.6% of total advances*



✓ Average ticket size of advances per borrower group - Rs. 99 crore*
✓ Average asset cover - 2.47 times

Geography wise split of loan book – March 2020



Concentration Analysis – Top 10 Accounts Group-wise



Sr No	Group	Location	As on Mar 31, 2020 (Rs. Cr)	% of total
1	Adani Group*	Ahmedabad	325	4.4%
2	Kalpataru Group	Mumbai	300	4.1%
3	Divyasree Group	Bangalore	282	3.8%
4	Spenta Group	Mumbai	254	3.5%
5	RMZ Group	Bangalore	253	3.4%
6	Pashmina Group	Mumbai	245	3.3%
7	Subhash Goel Group & Marvel Group	Pune	241	3.3%
8	Gaursons Group	NCR	237	3.2%
9	Raunak Group	Mumbai	224	3.1%
10	Okaya Lifespace Real Estate Group	NCR	205	2.8%
			2,566	34.9%

* Repaid in April 2020

Loan book details



Locations	Book Size (Rs Cr.)	GNPA (Rs Cr.)	GNPA %	SMA2 (Rs Cr.)	SMA2 %	Average Cover (In times)
Mumbai / Ahmedabad	3,330	53	0.73%	112	1.53%	2.23
Bangalore	1,078	-	-	-	-	3.35
Chennai	903	100	1.36%	42	0.57%	2.25
NCR	785	-	-	-	-	2.74
Pune	652	-	-	-	-	2.31
Kolkata	419	-	-	-	-	2.46
Hyderabad	175	-	-	-	-	2.23
Total	7,342	153	2.09%	154	2.10%	2.47

Overview of Stressed Assets

NPA stood at 2.09% and SMA2 2.10% of loan book



Micro market Dynamics

Chennai

- Investment climate affected since 2016 and no major employment opportunities created.
- FSI hike announced in 2018. Accordingly, projects can be 30-40% larger on the same land parcel which has pushed home prices down, impacting project cycles
- Projects that are substantially into the construction stage (and hence locked into the existing approvals) are at disadvantage with respect to early stage projects that can utilize the higher FSI

- NPA % of loan book: 1.36% v/s 1.43% QoQ
- SMA 2 % of loan book: 0.57% v/s 0.26% QoQ
- Security Cover: 1.6x to 3.5x

Mumbai

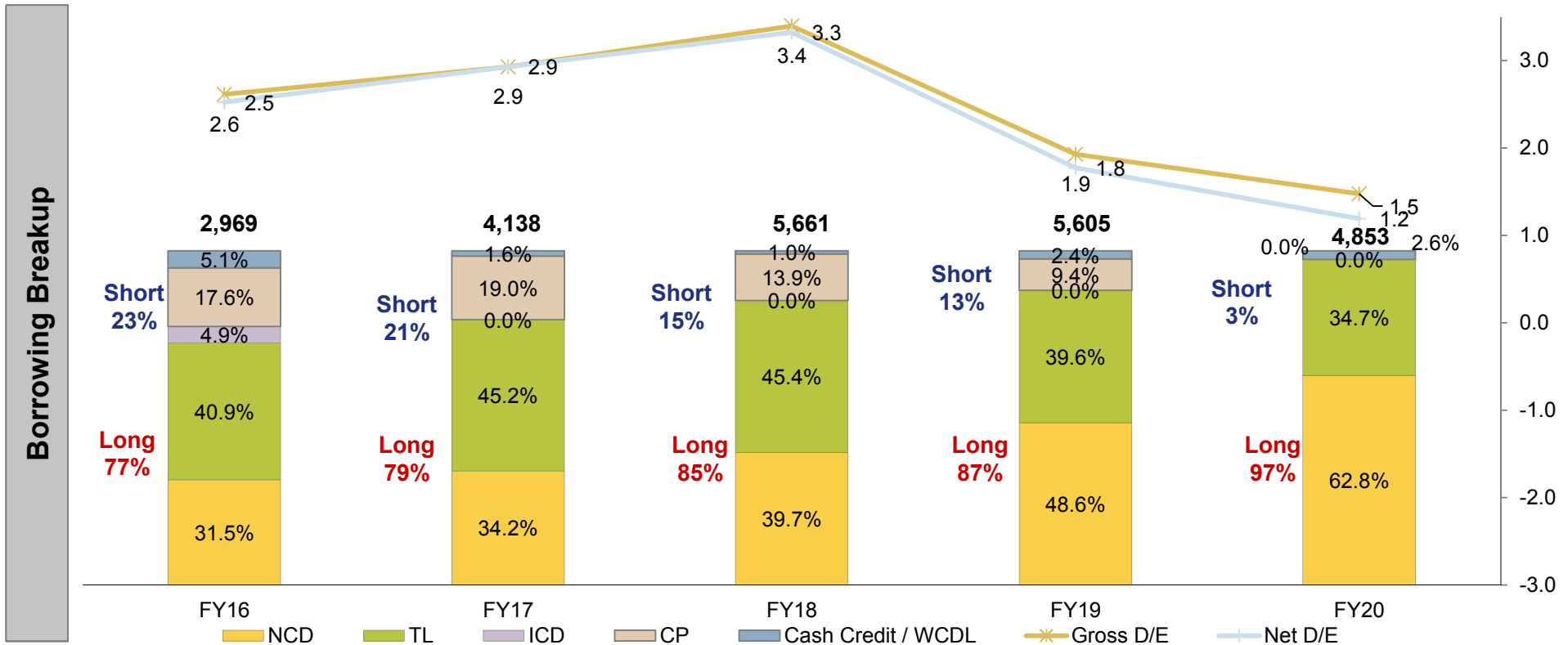
- HFCs slow on home loan disbursals thereby impacting sales and sales collection
- Delays in projects due to implementation of the new DP 2034
- Due to current lack of investors in early life cycle of a project, additional development financing has become critical for these residential projects

- NPA % of loan book: 0.73% v/s 0.61% QoQ
- SMA 2 % of loan book: 1.53% v/s 0.46% QoQ
- Security Cover: ~1.5x to 5.4x

Resolution strategy

- Healthy security cover to minimize loss given default. Security primarily includes residential property
- Legal action initiated
- One non core asset liquidated bringing down part of an NPA. Another land sale in final stages of completion. Pending for registration offices to commence operation
- Most of the security for the loans are ready property or under construction projects with significant security covers.
- Actively looking for asset sale/JDAs or DMAs for some of these assets to ensure closure/ reduction of loan
- Most of the ready assets have been and can be monetised in a time bound manner to reduce the NPA / SMA2

Diversified funding sources and strong credit profile - Adequately capitalized to fund growth



Strong Credit Rating:

- Long term debt rating:
 - ICRA AA / STABLE
 - India Ratings AA / STABLE
 - CRISIL AA / STABLE
- Short term debt rating:
 - ICRA A1+
 - India Ratings A1+

Liquidity

- ✓ Surplus liquidity of Rs. 936 crore as on March 31 2020 comprising of bank balances/FDs/ liquid mutual funds and unutilised cash credit lines of Rs.61 crore.
- ✓ Current ratio as on March 31, 2020 – 2.2

Gearing Philosophy

- ✓ Gearing of maximum 3 times
- ✓ Effective April 2019, the CP borrowing has been capped to 10% of the total borrowing except for opportunity based short term spikes towards short term assets subject to max cap of 20%

Structural Liquidity (ALM 2) - March 2020



(Rs. in Crore)	1 to 14 days	14 days to 1 month	1-2 months	2-3 months	3-6 months	6 months - 1 year	1-3 years	3 - 5 years	Over 5 years	Total
OUTFLOWS										
1. Networth	-	-	-	-	-	-	-	-	3,291	3,291
2. Borrowings	79	21	45	433	274	716	1,241	1,229	667	4,705
3. Current Liabilities & provisions	12	10	18	83	36	13	77	5	167	421
A. TOTAL OUTFLOWS (A)	91	31	63	516	310	729	1,318	1,234	4,125	8,417
B. Cumulative Outflows	91	122	185	701	1,011	1,740	3,058	4,292	8,417	
INFLOWS										
4. Cash & Balances with banks	26	-	2	-	-	-	-	-	-	28
5. Investment*	454	454	-	-	-	-	-	-	-	907
6. Advances	-	-	324	477	469	1,404	3,913	255	402	7,244
7. Others	-	-	-	78	-	2	31	1	66	178
8. Committed Line of Credit	61	-	-	-	-	-	-	-	-	61
C. TOTAL INFLOWS	540	454	326	555	469	1,406	3,944	256	468	8,417
D. Mismatch (C - A)	449	423	263	39	158	677	2,626	(978)	(3,657)	-
E. Mismatch as % to Outflows (D as % of A)	N/M	N/M	N/M	7%	51%	93%	N/M	-79%	-89%	0%
F. Cumulative Mismatch	449	872	1,135	1,174	1,331	2,009	4,635	3,657	-	
G. Cumulative Mismatch as % to Cum. Outflows (F as % of B)	494%	714%	614%	167%	131%	115%	152%	85%	0%	

Board of Directors



Mr. Vikram Pandit
Non-Executive
Chairman

- Nominee Director representing INH Mauritius 1 in the Company since January 6, 2015. He serves as a Director on the Boards of Bombardier, Inc. and Virtusa Corporation



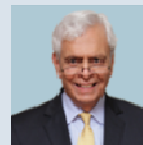
Ms. Dipti Neelakantan
Non-Executive
Director

- Nominee Director representing JM Financial Limited in the Company since October 28, 2015. She has been associated with the JM Financial Group since 1981 working in various capacities, locations and disciplines. She serves as Director on the Boards of several companies such as JM Financial Services Limited and JM Financial Institutional Securities Limited



Mr. Vishal Kampani
Non-Executive Vice
Chairman

- Nominee Director representing JMFL in the Company since August 1, 2019.
- Managing Director of JMFL, the Group's flagship company.
- Launched the Asset Reconstruction business in 2008 and the Real Estate Finance business in 2009.
- Expanded the International Operations and built a global profile
- Joined the JM Financial Group in 1997.



Mr. Darius E Udhwadia
Independent
Director

- Independent Director of our Company since July 16, 2015. He serves as a Director on the Boards of several companies such as JM Financial Limited and ABB India Limited.



Mr. Hariharan Aiyar
Non-Executive Vice
Chairman

- Nominee Director representing INH Mauritius 1 in the Company since November 20, 2014. He serves as a Director on the Boards of SV India Opportunities Advisors Private Limited, INH Mauritius 1, INH Mauritius 2 and Managing Partner in Build India Capital Advisors LLP.



Dr. Anup Shah
Independent
Director

- Independent Director of our Company since March 29, 2016. He serves as a Director on the Boards of several companies such as JM Financial Services Limited, JM Financial Capital Limited, JM Financial Home Loans Limited and Claris Lifesciences Limited.



Mr. V P Shetty
Non-Executive
Director

- Nominee Director representing JMFL in the Company since July 15, 2014. He is the Non-Executive Chairman of JM Financial Asset Reconstruction Company Limited, JM Financial Products Limited, JM Financial Home Loans Limited and JM Financial Asset Management Limited



Mr. Satish Chand Mathur
Independent Director

- Independent Director of our Company since August 1, 2019. He serves as a Director on the Boards of several companies such as JM Financial Asset Reconstruction Company Limited, Indiabulls Housing Finance Limited, Tilaknagar Industries Limited.



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Annexure – Financial Information

Profit and Loss Statement – Ind AS



Particulars (Rs. Crore)	Half year ended		Year ended	
	H2 FY20	H2 FY19	FY20	FY19
Interest income	614.11	652.15	1,264.11	1,258.01
Fees and commission income	1.22	3.01	1.37	5.11
Net gain on fair value changes	20.22	11.23	41.76	13.90
Net gain on derecognition of financial instruments under amortised cost category	-	1.79	2.22	1.79
Other operating income	0.14	0.17	0.33	0.28
Total Income	635.69	668.35	1,309.79	1,279.09
Finance costs	263.23	284.81	548.53	578.74
Impairment on financial instruments	103.98	(9.50)	144.99	15.99
Employee benefits expense	9.22	16.25	27.42	31.52
Depreciation, amortization and impairment	1.09	0.12	2.19	0.23
Operating and other expenses	38.22	12.42	51.69	26.26
Total expenses	415.74	304.10	774.82	652.74
Profit before tax	219.95	364.25	534.97	626.35
Tax expenses	55.99	128.08	152.62	219.96
Net Profit for the period	163.96	236.17	382.35	406.39
OCI	-	(0.03)	(0.04)	(0.03)
Total Comprehensive Income	163.96	236.14	382.31	406.36

Balance Sheet – Ind AS



Particulars (Rs Crore)	As at	As at
	March 31, 2020	March 31, 2019
ASSETS		
Financial Assets		
Cash and cash equivalents (CCE)	28.39	178.33
Bank Balance other than CCE	-	4.50
Trade receivables	0.30	-
Loans	7,175.97	8,016.04
Investments	907.14	295.29
Other Financial assets	1.09	4.06
Total Financial Assets	8,112.89	8,498.22
Non-financial Assets		
Current tax assets (net)	13.33	1.29
Deferred tax Assets (Net)	54.00	59.01
Property, Plant and Equipment	17.22	0.76
Other Intangible assets	0.15	0.22
Other non-financial assets	2.09	3.02
Total Non-financial Assets	86.79	64.30
TOTAL	8,199.68	8,562.52

Balance Sheet – Ind AS (cont'd)



Particulars (Rs Crore)	As at	As at
	March 31, 2020	March 31, 2019
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
Trade Payables	9.88	11.23
Debt Securities	3,045.40	3,248.56
Borrowings (Other than Debt Securities)	1,807.59	2,356.43
Other financial liabilities	41.91	31.49
Total Financial Liabilities	4,904.78	5,647.71
Non-Financial Liabilities		
Current tax liabilities (Net)	-	3.17
Provisions	1.92	1.61
Other non-financial liabilities	1.71	0.73
Total Non-Financial Liabilities	3.63	5.51
EQUITY		
Equity Share capital	2.83	2.83
Other Equity	3,288.44	2,906.47
Total Equity	3,291.27	2,909.30
TOTAL	8,199.68	8,562.52

For Further Queries



Mr. Shashwat Belapurkar

Chief Executive Officer

Email: shashwat.belapurkar@jmfl.com

Contact No: 022 66303545

Mr. Gagan Kothari

Chief Financial Officer

Email: gagan.kothari@jmfl.com

Contact No: 022 66303360