

JM Financial is Global Coordinator and Book Running Lead Manager to Bajaj Finance QIP

JM Financial has successfully closed a Rs. 4,500 crore Qualified Institutional Placement (QIP) for Bajaj Finance Limited on September 6, 2017, one of the largest QIPs by an Indian private sector NBFC.

We acted as the 'Sole Global Coordinator and Book Running Lead Manager' to the QIP. JM Financial played a critical role in designing a targeted marketing strategy, guiding the management on deal contours, timing of the deal and investor allocation.

JM Financial captured early demand from marquee investors and had the book covered c. 1.0x before the issue was launched on September 5. The QIP saw actual demand of c. INR 14,315 crores, an oversubscription of c. 3.2x. More than 60 institutional investors participated in the issue, including quality global (57%) and domestic (43%) institutions.

We had a market share of c. 70%, highlighting the depth and breadth of our distribution franchise across the globe. Despite the stock run-up since the board meeting enabled the fund raise, the deal was launched at a fixed price of INR 1,690, implying a FY17 P/B multiple of 9.6x. Our deep understanding of the company helped to appropriately position the company, despite its rich valuations vis-à-vis other NBFCs resulting in the issue receiving overwhelming demand.

The deal also saw stealth execution, a quick from AGM approval to closure. The stock run-up of c. 4% on September 6 from the previous close further indicates the success of the issue.

This QIP extends JM Financial's excellent distribution capability in the equity capital markets and financial services space.