

August 14, 2025

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National Stock Exchange of India Limited  
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Security Code: **523405**

Symbol: **JMFINANCIL**

Dear Sirs,

**Sub: Transcript of the Earnings Conference Call**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Para A of Part A of Schedule III thereto, we are enclosing the transcript of the earnings conference call of the Company held on Tuesday, August 12, 2025.

The said transcript has also been uploaded on the Company's website and the same is available at <https://jmfl.com/investor-relation/financial-results.html>.

We request you to kindly take the above on your record and disseminate the same on your website, as you may deem appropriate.

Thank you.

Yours truly,  
For **JM Financial Limited**

**Hemant Pandya**  
Company Secretary & Compliance Officer

Encl.: as above



JM Financial Limited  
Q1 FY26 Earnings Conference Call  
August 12, 2025

**Moderator:** Ladies and gentlemen, good day, and welcome to the Earnings Conference Call for JM Financial Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing \* then 0 on your touchtone phone.

Kindly note that any forward-looking statements made on this call are based on the management's current expectations. However, the actual results may vary significantly, and therefore, the accuracy and completeness of this expectation cannot be guaranteed. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vishal Kampani. Thank you, and over to you, sir.

**Vishal Kampani:** Thank you. On behalf of JM Financial, we extend a very warm welcome to all of you to our earnings conference call to discuss our financial results for the quarter ended June 2025. Our results have been uploaded as well as our presentation and press release on the stock exchanges and our website. And I hope you've had a chance to go through the same.

On the call, we also have our management team. We have Sonia Dasgupta, MD and CEO of Investment Banking. We have Chirag Negandhi, MD, JM Financial Limited, Manish, who runs our Home Loans business, Amitabh Mohanty, who runs our Asset Management business; and of course, Nishit Shah, who is our Group CFO.

I will give a few updates and highlights, and then we'll hand over the call to Nishit, who will take you through the numbers, and then we can open up for Q&A. So as most of you would have seen, it's been a very exciting quarter for us at JM Financial. I think all of our business units have done extremely well and have posted stellar results and growth. And this is all due to the hard work of the last couple of quarters in terms of having a strategic alignment and focusing on the business build.

We are pleased to report our highest ever operating PAT at almost INR454 crores. Our net worth has crossed INR10,000 crores for the first time. And our book value is now at INR106.4 per share. And more interesting to note is that we've had a net revenue growth year-on-year of 22%, and even our pre-provisioning operating profit has increased by 22%, which is an extremely healthy number.

And the reason we want to highlight this number is because even after you take out the impact of the positive recoveries that we have seen in our business units, both the real estate lending unit as well as the ARC, despite that in terms of positive news of being able to recover a significant flow of bad assets, which we had planned for the year in the first quarter itself, even the operating profit has seen a solid growth of 22%.

Our current real estate loan book which I define as the non-core real estate loan book has declined by almost 56%. And in our ARC business in the last 12 months, our share of cash recoveries is almost INR1,368 crores. And so, both the real estate recovery and the ARC

recoveries all put together have resulted in a net reversal of impairment of almost INR204 crores, which is extremely healthy.

So, in terms of the guidance that we had given earlier that we'll have almost INR250 crores to INR300 crores of recovery every year for the next 3 years. And our target is that we want to recover the provision, the entire provision that we have made. And our current NPA stands at close to INR760-odd crores. Excluding the home loan of INR37 crores, it's around INR730 crores. And we are hopeful that we should be able to meet our guidance that we have given over the next 3 years.

And moving on to the borrowing side. We have reduced our borrowing by INR4,300 crores in the last 1 year and still had excellent growth in our pre provisioning operation profit by almost 22%. And the result of this is because of the strong increase in fees and commission income as well as the brokerage income. The brokerage income Q-on-Q is up 29%, and despite the fall in volumes, is almost flat Y-o-Y.

And the fee and commission income are up by almost 23% Y-o-Y. And we see even July and August being extremely strong months in terms of the business that has been completed on the fees and income side. So, hoping for the momentum to continue. As I was mentioning to someone earlier that the best-performing sector in India right now is the capital market sector. We are hoping that the economy catches up.

And in terms of strategic initiatives, we've increased our shareholding in JM Financial Credit Solutions to 100%. On the home loan business, we divested a small stake of 2.1% to Bajaj Allianz Life Insurance. This helps us value the business and also brings in a good strategic investor, a very long-term, high-quality investor in our business. Our plan here remains the same. We plan to grow the loan book to INR5,000 crores in 2 years and to around INR10,000 crores by FY '30. And we will plan an IPO and listing of this business sometime in 2028 or 2029.

And to add to that, we are, as I said, very pleased with the execution. We have also had an INR1 lakh crores worth of filing for IPO transactions. We filed 45 IPO transactions, which aggregate to INR1 lakh crores. So that gives all of you the sense of our pipeline. And if markets continue and the domestic fund flow continues at the rate which we've been seeing, I think there is a good chance that we should be able to execute this pipeline in the next 12 months or so.

There's been a lot of headcount addition and our business management teams will talk about that in more detail. And so, with that, I'll hand over the call to Nishit to take you through the numbers, and then we can open it up for Q&A.

**Nishit Shah:**

Thank you, Vishal. I'll just take you all through the segment numbers. On Corporate Advisory and Capital Markets, the net revenue stood at INR182 crores, which is a 53% increase year-on-year basis. Profit before tax stood at INR96 crores, which is a year-on-year increase of 77%. Profit after tax stood at INR77 crores, which is an increase of 88% on a year-on-year basis. The capital employed in this segment is around INR714 crores.

On Wealth and Asset Management, the net revenue increased to INR225 crores, an increase of 29% on a year-on-year basis. Profit before tax stood at roughly around INR44 crores, which is a 54% increase year-on-year basis. Profit after tax and minority interest stood at INR38 crores, which is a 69% increase on a year-on-year basis. The capital employed in this segment is INR1,222 crores.

Moving on to private markets. The net revenue has increased by approximately 62% on a quarter-on-quarter basis. On the private markets, I would like to give numbers on a quarter-on-quarter basis because of the sharp decline in the loan book on a year on year basis and make it more comparable. There is a reversal of impairment on financial instruments to the extent of INR212 crores.

Profit before tax, including the reversal stood at INR377 crores, which is a 4x growth as compared to the earlier quarter. Profit after tax and minority interest stood at INR278 crores, which is a 12x growth as compared to the earlier quarter. The capital employed in this segment is INR6,457 crores.

Moving on to affordable home loans. The total income increased by 8% to around INR100 crores on a year-on-year basis. Profit after tax was more or less flattish at roughly around INR14 crores. The capital employed in this segment is INR765 crores. Over and above this, we have treasury and other assets. The capital employed is roughly around INR1,303 crores. We made a profit after tax of INR47 crores, which is an increase of 35% on a year-on-year basis.

With this, I would like to hand over to the moderator for questions.

**Moderator:** Thank you very much. The first question is from the line of Digant Haria from GreenEdge Wealth. Please go ahead.

**Digant Haria:** Firstly, congratulations to the team. I think this quarter; a lot of things have started moving in the right direction together. So, I'll try to just ask one by one because there's too much to ask. So, the first question is, especially on this wealth management team that despite such strong addition in the sales and the relationship manager teams, I'm sure the opex would have gone up a lot.

But even then, our profits have shown significant jump. So just wanted some color on what have we planned for these new hiring that we have done? And as investors, do we start saying that, okay, this quarter was the base and we'll see continuous improvements from here in terms of the recurring AUM and the profits both?

**Vishal Kampani:** Yes, Digant, I'll let Chirag answer the question on Wealth Management.

**Chirag Negandhi:** Yes, Digant. Well, we are at an investing phase in the wealth management business. We obviously have made some key additions in the people that we brought across the spectrum of the wealth management space. I would definitely like to believe that we have now set the base from which you should expect that we continue to grow definitely on a year-on-year basis.

And it might be slightly up and down on a quarter-on-quarter basis, but on a year-on-year basis, you have to expect that we will continue to grow at a rapid pace from here. And this is when the additions of people have not even yet started to operate at a full level right now because most of them are joining during the quarter. So, you'll see that the improvement from there coming through on coming quarters.

**Digant Haria:** Okay. Just a follow-up on this. So, you mean the cost still will get loaded up over the next 2 or 3 quarters and then maybe the productivity comes a little later. Is that correct?

**Chirag Negandhi:** That's right. Yes. We are still adding people.

**Digant Haria:** Okay. And then if you can just talk in terms of the number of products or anything innovative that we did because our recurring AUM has increased quite a bit versus transactional. So, what's happened there?

**Chirag Negandhi:** So, a big chunk of the recurring is the mutual fund business. But in addition to that, there are several products that we do from time to time that are innovative, and we were the only ones, for example, and you can see the whole flywheel in operation over there because you would have seen the Blackstone-Sattva deal.

We were the only firm across the whole value chain from the wealth side in terms of HNI distribution to ultimately be the bankers on the deal as well. And the only common banker across both the wealth and the IPO was JM Financial. And that's really the flywheel in play. We hope and intend to do a lot more of these because you actually maximize the entire wallet share.

**Digant Haria:** Okay. Second question is on this Corporate Advisory and Capital Markets. We have seen pretty strong growth despite like the markets maybe last year were more buoyant and more euphoric than maybe this quarter was a little subdued. So, is there any one-off or this is just like we have done really well overall? Any comments, sir?

**Vishal Kampani:** I'll ask Sonia answer that, Digant. Go ahead.

**Sonia Dasgupta:** Digant, thanks for pointing that out because clearly, JM Financial has led the entire markets by a long shot. We've closed 10 Capital Market transactions in the first quarter. So, it's clearly an effort of JM Financial to take disproportionate market share. Most of the peers may have closed not more than 3 or 4 transactions.

So, this is clearly, like you rightly put, a lot of things coming together, a lot of origination as well as execution effort seeing the fruition. And as you can see also from the league tables, in equity capital markets, we've remained #1 in quarter 1. And in addition, even our Advisory pipeline is very strong.

**Digant Haria:** Okay. That's great to know, Sonia. My next question is to Vishal, this private markets division, the division which you've been spearheading. So, Vishal, this loan book for the first time, we have seen that especially the real estate book has bottomed out at INR2,000 crores, but the

bespoke book has started increasing. So, is it fair to say that now this number, INR5,057 crores, the loan book itself will start growing from here on?

**Vishal Kampani:**

Yes. So Digant, as I mentioned on our last call also that this is kind of the bottom, and you will not see any depletion in loan book going ahead. In fact, you will see addition to loan book, but it will be more granular. It will be a much higher quality of sort of counterparty that we will be dealing with and putting on our books. It will be more driven by bespoke and LAS and also cash flow-backed financing in real estate and not land or structured in real estate. All of that will be part of our AIF.

And I'm also very happy to note that we are making very good progress on the syndication side in our private markets business. As you know, we kicked off that effort 5 quarters ago, and you'll see a lot of that traction coming through in the next couple of quarters. Even the origination engine is working extremely well in partnership with our investment banking as well as directly what the private markets business will be able to source.

Having said that, there is a lot of liquidity. And when there is a lot of liquidity, there can be mispricing. And learning from our experiences in the past, if there is a lot of mispricing, then we will choose to stay away and that DNA will not change. But having said that, there is a lot of opportunity, and we are very focused on executing.

And again, just the way we've gained market share on the equity capital market side, and we've built a phenomenal pipeline on the equity capital market side as well as the distribution strength, which is going up on the wealth management side, I think there will be a lot of credit syndication opportunities across corporate, bespoke, real estate as well as distressed, which I think we will lead market share in, hopefully.

**Digant Haria:**

Perfect, Vishal. So, from the journey from this INR5,050 crores in this quarter to say, effectively, we wanted to reach INR10,000 crores kind of a loan book. And then we also wanted syndication income. So, is that syndication income anything to talk about now? Or it's just we've started and this income will start building up? And how many years do you see to reach that INR10,000 crores?

**Vishal Kampani:**

What I would say is efforts on the same started 4-5 quarters ago. And I think now we are seeing tangible assignments and mandates in hand, which I think will convert into revenue in the next 3 quarters, and then you will start seeing the revenue flow. And this is not pure syndication and we will have some hold on balance sheet as well. So not only does it increase fee and commissions income, but it also increases interest income.

And this basically also helps in terms of protecting the cyclicity that you may occasionally face in the equity capital market business because equity capital markets business, I've always said, is an 8-month business in 12 months. You need 8 months to execute and your entire annual budget is met. While this will be a lot more stable and the fee as well as interest income will be a lot more stable income.

- Digant Haria:** And my last question is on this home loan piece. Like we had a small transaction. And I think the market acknowledges our home finance business as one of the finest with this 3.5x kind of a valuation. So just wanted to check like what are the growth plans? Do we stick to what we had even in the last quarter or after this deal, there is some revision. Anything on that home finance company, if you can speak on?
- Vishal Kampani:** Yes, Manish, go ahead.
- Manish Sheth:** So Digant, Manish here. Basically, we are sticking to whatever we have guided. This percentage, 2.1%, what we have placed is to one of the best in class investor, Bajaj, but nothing changes on the ground. We are going to deliver what we said in the beginning of this quarter and on this call is INR5,000 crores in the next 2 years and by 2030, INR10,000 crores.
- Moderator:** The next question is from the line of Pawan from Edelweiss.
- Pawan:** Congratulations to the whole team. Everyone has done phenomenally well. Just a couple of questions on the wealth management side. The recurring AUM has grown quite substantially from like INR19,000 crores at the end of FY25 to INR31,000 crores in this quarter. What has led to this? And how to look at this going forward?
- Can you give some kind of guidance on the net new money that you have received and then like the kind of targets that you are looking at for the full year? Also, any reclassifications or some such thing, if there is any? Yes. That's my main question.
- Nishit Shah:** Yes. So basically, on a year-on-year basis, the wealth management recurring AUM has increased to INR31,180 crores as compared to INR22,000 odd crores in June of 2024. So that is an increase of 37%. We've seen a lot of traction in terms of hiring new talent, etc. I'll ask Chirag to take you through the overall strategy over here.
- Chirag Negandhi:** Yes. Pawan, right, like we were mentioning earlier on the call, the strategy is clear. We're on an aggressive build-out. We believe that with the complementary other businesses in the group, there is a big reason and right to win for us in this business. We have started out by investing, and we continue to invest by recruiting a lot of good people in the business.
- Our focus continues to be on the recurring side of the business. Of course, as markets, they give us opportunities on other transactions, we will continue to do those as well. But we remain extremely focused on the recurring piece and growing this recurring piece fast across all segments of the wealth spectrum.
- Vishal Kampani:** And I also want to add to that, that while our focus will always be on growing the recurring piece, we are not at any point in time going to ignore the transaction piece. And I think I've said this earlier as well on one of my calls because the transaction piece allows us to get new clients into the fold.
- Second, we have a very exciting pipeline on the transaction piece, which many of our competitors don't purely because of the work that we do on the investment banking side as well



as the private market side. So, the idea is always to engage with family offices and high net worth customers with new ideas and new concepts. And many times, you get them into the fold as your client with a transaction.

And then over time, they become sort of a recurring revenue client for you. And this is our strategy where we will continue our focus on both, the recurring revenue piece, which is extremely critical long term, but not shy away from having good growth on the transaction side.

And third, on the asset management side, we are building our own products internally when that product flow today as a percentage of what AUM we have on the wealth management side is pretty small, and we see a significant share of that increasing towards our own products. And that itself will also help in terms of the cross-sell internally. So again, very excited with the increase in recurring revenue, but we are not taking our eyes off transactional flow.

**Pawan:** Wonderful. Just one follow-up. Any kind of guidance on the net new money that you are targeting in each of the quarters for the full year?

**Vishal Kampani:** So, we don't have any targets on net new money on a quarterly basis. And see, you also have to appreciate, if you see the increase in wealth RMs that we have had Y-o-Y, it's almost 91%. Even our sales force is up almost 37% Y-o-Y. So, I mean, if we talk about the business plan targets, I mean, they will sound unreal to all of you. So, let us just demonstrate that over the next few quarters because right now, we are really in recruitment and build-out mode.

**Moderator:** The next question is from the line of Anubhav Goel from Cosma Ventures.

**Anubhav Goel:** Sir, just wanted to understand something on the wealth piece. So, we are above INR1 lakh crores AUM. It's an INR1,300 crores plus sales business, largely transactional, 72% non-retail. So, when I compare us versus our peers, anything I'm missing why our PAT margins are relatively lower at 10%? Is it an accounting issue? Or are we externally sourcing it?

**Nishit Shah:** No, no. There is no accounting issue or anything. The margins are slightly lower because as you see in the presentation, the expansion plans are being loaded into the P&L. So as Chirag alluded at the earlier part of the call also that a lot of these costs are being upfronted and the revenues, etc, we will see over a period of time.

So that is why the margins are lower. But I would like to highlight that if you look at it on a year-on-year basis, the margins have improved by over 3 percentage points. So as the teams start building out the revenues, the operating leverage will also kick in and you will see the margins improve.

**Vishal Kampani:** I mean the productivity for the team, as we continue to recruit and keep building, only comes with time, right? So that takes a little bit to catch up, and that's what you're seeing on a Y-o-Y basis also.

- Anubhav Goel:** Sir, I take that. But even if I see companies, other wealth companies which say, INR1 lakh crores, INR1.5 lakh crores AUM, INR2 lakh crores AUM, they are at significantly higher profitability than us. Hence, I was just trying to understand this.
- Vishal Kampani:** Yes, it could be because they have a larger recurring mix and the trail income revenue is higher. So as your recurring mix will go up, the trail income revenue should get higher. And they probably have more stabilized costs and they are not expanding headcount and infrastructure at the rate we are, right? So, I think it will be good if you do a detailed comparison in terms of what is the actual growth in terms of infrastructure build-out and people build-out versus our growth.
- And also, what is the extent of the profitability coming from products like margin trade finance, which are loan-based products. And if those have increased significantly in the last 1 year and versus us, which has been flat. We've had more fees and commission income than actually interest income in this mix.
- Anubhav Goel:** Okay, sir. Got it. So, a function of recurring AUM and say, interest income. And sir, just a follow-up on this. There is so much entrenched competition, which has grown very well since COVID. And wealth has been a bit soft for us over the past few years. So is there a thought like we are going aggressive on wealth now in the past 12 months. So, we are a little late in the game?
- Vishal Kampani:** Well, I think a little late or a little early depends on your horizon. Our horizon is 10 years. So, I don't think we are late at all. I think we're still early in the game.
- Anubhav Goel:** Okay, sir. And sir, last question, for the corporate advisory and capital markets piece, if markets remain stable and we see the IPO pipeline unfolding in 3Q and 4Q, can we see, say, a 20% growth for this year, like INR788 crores sales for FY25 and possibly an INR900 -1,000 crores sales this year? Is that possible?
- Sonia Dasgupta:** Yes, it is.
- Anubhav Goel:** So, a 20% growth is what we are targeting this year, ma'am?
- Sonia Dasgupta:** Yes, in the minimum, if like you said, the first caveat, markets is holding up, we are very confident, like you said, we have a very strong pipeline of already filed IPOs. In addition, there are more that are getting filed every month. So, we are quite hopeful and confident that we should see a strong growth trajectory.
- Moderator:** The next question is from the line of Apoorva from BugleRock.
- Apoorva:** This was a question regarding AMC business. Can you give some idea on what percentage of business would be retail, corporate and HNI and also the channel-wise mix, are we -- how is that channel-wise mix and investor-wise mix, something on that will be helpful.
- Amitabh Mohanty:** So, let me put it this way. As on date, we have got approximately INR15,000 crores of AUM, out of which approximately INR3,000 crores would be liquid funds, that would be

predominantly institutional. Otherwise, if you look at the equity AUM of around INR11,500 crores, that would be predominantly retail, either direct through digital or through channels.

So, our digital is almost, if I may put it, in terms of portfolios, almost 60% of our portfolios. And if I look at the AUM, that would be approximately 15% of the AUM. And otherwise, if you look at it, our retail channel, which is the IFA channel, that would contribute to most of the channel-led sales. So, if I look at 60% coming through channels and 40% through digital, out of 60%, almost 80% would be coming through the IFA channel. The other two channels, which for us is family offices, etc, that would again be around 10% to 15%. And the bank and ND is still in the process of getting set up.

**Apoorva:** And is there any goal in terms of that this much AUM we need to have to get empanelment at banks? Or have we crossed that threshold or are we still inhibition?

**Amitabh Mohanty:** Yes. We have crossed that threshold. It's just that the process of onboarding in banks takes a bit of time. So, since we crossed that threshold pretty recently in the last 6 to 8 months, I think we are still in the formative phase. And maybe by the end of this year, you'll start seeing banks come along.

And to be frank, some of the smaller and mid-sized banks have already started onboarding us. Yes Bank is already working with us. IDFC Bank is already working with us. IDBI Bank, RBL, all of these small to mid-sized banks have already started working with us. And only the big banks are in advanced stages of engagement, and that should hopefully kick in over the next 2 quarters.

**Apoorva:** And just I got confused at one place. The direct would be what percentage of our total AUM, means direct business?

**Amitabh Mohanty:** If you look around 20-odd percent would be digital, plus if you look at our key accounts group, which would be another 10% to 11%. So around 30% to 35% would be direct.

**Apoorva:** Okay. And currently, what type of yield we would be able to get on equity AUM?

**Amitabh Mohanty:** Just to make myself again clear. This would be of equity AUM. So, of our total AUM, the INR3,000 crores of liquid will be essentially totally direct through institutions.

**Apoorva:** No. Any net figures on type of yield we are able to get currently on the equity portion of the AUM?

**Amitabh Mohanty:** If I look at our net yield on equity AUM, we are touching around 25 to 27 basis points. So, the target is to cross 30 over the next 6 months to a year. This is net of all operating expenses, net of all commission payouts in regular plans.

**Moderator:** The next question is from the line of Dhruv Sanghvi from Prospero Tree.

- Dhruv Sanghvi:** First of all, hearty congratulations for like finally seeing the reversal on impairments, which was like really awaiting on our end. Second is after attending con calls for so long, the kind of breadth that we feel is just amazing. And congratulations to the team that you continue to do well. Just a couple of questions. So, if all the restructuring exercise and the planning is over, is there a possibility of a buyback or any sort of event on that side now?
- Vishal Kampani:** We've always maintained that our payout ratio will increase in terms of dividend. But from a taxation perspective, I'm not sure if buyback is as efficient. But I think we will continue to have a pretty decent payout ratio.
- Dhruv Sanghvi:** Okay. The one small bookkeeping question is in the wealth side, when we use the words that out of the INR15,000 crores, it includes distribution, custody and advisory. I think I understand distribution, does custody mean that we don't earn any income there, but it is just stagnated old type of stocks. And over time, it will get revamped as and when we talk to the customers or investors and help them revamp the portfolio? What does custody part there?
- Chirag Negandhi:** Yes, the custody includes approximately INR20,000 crores at a low yield. It's not like it doesn't earn us anything, but it does have a low yield. So yes, if you look at the yields net of the custody yield, you'll see that it's in line with what you're seeing in the peer set as well.
- Dhruv Sanghvi:** Okay, I think I understood now.
- Vishal Kampani:** The endeavour would be to convert the clients who are on the custody side on this INR20,000 crores, into recurring or transactional revenues. So, we will not stop that effort.
- Chirag Negandhi:** Sorry, I'll just jump in. Chirag here. While you focus on AUM, which is the right way and you're trying to compare this with the peer group, and because it is our focus area, what you should also look out for is how the flywheel works. I mean that's the beauty of how the business is built out, right?
- Each of these businesses are allowing us to increase the number of client touch points and the number of customers. And then we have the products across the group that we can monetize that customer. I mean, you're seeing many competitors trying to build this out, but I don't think anyone does it as well as we do right now.
- Dhruv Sanghvi:** No, no. I mean my point was actually coming from that angle that maybe the yields are looking lower because of the custody assets and probably that's the right thing, and it will naturally improve if you are able to achieve what you said. So that's a good thing.
- Chirag Negandhi:** That is a given. I mean, the custody yield is low, and therefore, it is that the yields are lower because of that. The point I'm making is you have to look at each product, the custody points aside, even overall on the wealth business or across businesses, this allows us to mine clients deeper across businesses as well. And that's really what we are aiming at.
- Dhruv Sanghvi:** Great. And one thing related to the INR1 lakh crores pipeline. So, I mean, of course, subject to markets and everything, but let's say, broadly, if the market is what it is, does it happen in the

next 12 months? I mean that's like a super number, and that is why I'm just trying to clarify. And then can we count something like 3% to 5% on this as a ballpark number? Or how should we think in terms of revenue translation of these numbers? I'm not asking for a guidance of 6, 12 months. I'm just trying to understand the rationale of how do we as investors over a longer period, understand these big numbers converting into revenues.

**Nishit Shah:**

Dhruv, this is Nishit here. It's fairly straightforward. If there is an INR1 lakh crores issuance, assuming roughly around 3 banks, you make 2% to 3%. So, the revenue can be anywhere between INR500 crores to INR750 crores. That is the pipeline that we are talking about. If markets stay the way they are, we'll be able to do this.

**Vishal Kampani:**

Dhruv, I just want to highlight a little bit here which allows you and the investors on the call to just think about this business in a different way, right? First, this is a 50-year legacy business with an extremely strong brand. And when you think about a 50-year legacy in investment banking with a very strong brand, the first thing that occurs to me is that this business must have strong recurring revenue because there will be old relationships, there will be long-standing relationships, which are valued by clients.

And in many cases, the reason we're able to build an INR1 lakh crores pipeline literally without any marketing spend or any advertising spend is because of word of mouth. We've had years of history of clients who are happy with us. They recommend us. Not only do they give us their future business, but they also recommend us to many friends of theirs in the industry or outside the industry through which we get more business.

And everyone focuses and talks a lot about the wealth management recurring revenue. And yes, that's great. And there is no doubt that we are going to be aggressively gunning behind that, our wallet share and our deserved wallet share in that business. But there is a big recurring revenue that we see on the corporate advisory, on the private markets as well as the equity capital markets business, which the market is not able to value.

I mean if we all believe that India is going to do well and it's going to be a much larger economy 5 years or 10 years down the line, I think the capital markets will explode even further from here. I mean there will be dips, but if you look at peak-to-peak profitability, the corporate advisory and the private markets business, the capital markets, the ECM business will grow as fast as any wealth advisory or any asset management business in the country.

And the reason is that India still needs capital, whether it's domestic sources or foreign sources. Corporates need advice. And both the public markets and private markets have to support that growth, right? We are not a mature economy. We're still a growing economy. We're going to grow at 6%, 7% over the next 10 years, every year, and that requires a ton of capital raising.

And we are one of the best businesses to get a phenomenal amount of recurring revenue share from the clients that we already have and IPOs means new clients because they are getting listed through an IPO for the first time in the public markets. And that is where we have a leading market share in bringing more clients into our fold. And then it depends on our execution, which

is the risk investors are betting on that we will be able to cross-sell and we will be able to convert more recurring revenue lines from that customer.

So, it's literally as simple as that. We are going to integrate. Chirag talked about the flywheel, right? And we have a strong brand, deep connectivity, more than enough capital in terms of the networth. And if you see the capital employed, including leverages, just 1:1 to be able to offer all of these products and services to our clients to keep them with us for the foreseeable future and longer.

**Chirag Negandhi:** I'll just add to that. You have to think of this as a full-service investment bank also. Yes, there is the whole pipeline of the IPO market, but there is a very strong M&A and advisory business as well, which absolutely complements the ECM business as well. And what you're also seeing in the capital markets numbers are the institutional equities cash and derivatives business, which itself is growing at an extremely healthy clip.

The derivatives business was a much smaller business last year. It will be significant at the end of the year. When we share the numbers, you'll see it will be a very big business for us. So, the cyclicity as you're thinking of this just based on the IPO window is not as cyclical as you're making it out to be because it's spread across different businesses that all complement each other.

**Moderator:** The next question is from the line of Ketan Pitrubhakta from Envision Capital.

**Ketan Pitrubhakta:** Sir, firstly, congrats on the quarter. And secondly, what are our plans on utilizing the INR2,000 crores of cash in like deployment in terms of segments of businesses?

**Vishal Kampani:** Yes. So, I think in terms of capital requirements, we'll be investing more in wealth management, asset management as well as home loans. And this capital is reserved for investments on that side. On the corporate advisory, capital markets and private markets, we are fully funded.

**Moderator:** The next question is from the line of Yogesh Bhatia from Sequent Investments.

**Yogesh Bhatia:** I actually missed the part on the hiring that you've done in the wealth management business. Can you highlight those numbers again, please?

**Nishit Shah:** Yes. So, in terms of wealth RMs, the number of RMs has increased by 91% on a year-on-year basis from 91 RMs in June 2024 to 174 in June 2025. Our sales employees have increased from 563 in June 2024 to 773 in June 2025, which is an increase of 37%.

**Moderator:** The next question is from the line of Anubhav Goel from Cosma Ventures.

**Anubhav Goel:** Sir, we have done a great job bringing down the real estate book from INR2,788 crores to INR2,063 crores. And you have said that now we will focus on growing the loan book. Just wanted an update on this quarter on this remaining piece of INR2,000 crores for the real estate book.

- Vishal Kampani:** Yes. So, I think we've reached a stable level for the real estate book. A significant portion of this INR2,000 crores is cash flow backed. And as I said, we are not going to shy away from lending in real estate to cash flow backed. We just don't want to have any form of adventurous loans on our balance sheet. So, the cash flow backed loans will continue. So, I think real estate has bottomed. You can comfortably assume that real estate should be able to grow at a 15% to 20% loan book growth on cash flow backed comfortably year-on-year for the next 2 to 3 years.
- Anubhav Goel:** Got it, sir. So, there anything worrisome we can expect from this INR2,000 crores piece, any 1, 2 accounts do you think?
- Vishal Kampani:** As I mentioned last year, that entire loan book is post-COVID. And in this INR2,000 crores book, INR620 crores is NPA book, which is provided for. So actually, the net book is INR1,400 crores. And it is all post-COVID and performing exceedingly well. There is not even a single account where there is a 1-day delay in payment.
- Moderator:** The next question is from the line of Dhruv Sanghvi from Prospero Tree.
- Dhruv Sanghvi:** We recently saw that Juhu property announcement, I think, with Oberoi. Can you expand like how does this work in terms of the payouts to us? Or is it like IRR backed or similar such deals and how many such kind of things can happen because it sounds like a pretty high IRR category.
- Vishal Kampani:** Yes. So, I would not like to disclose the IRRs. But yes, it is a high IRR transaction. We acquired these SRs from the three banks. We got to a 50% sort of market share of the ownership of the hotel that was in distress. And then we chose to partner with Oberoi Realty, which is a very good brand for Bombay real estate in terms of bidding jointly with them to acquire the asset.
- The entire controlling position on this asset is with Oberoi. We are only a minority investor with Oberoi. And Oberoi will develop as they won the bid and they will ultimately develop this asset with a very small equity position from us. But the bulk of the realization that we will get will be on the SRs once the NCLT approvals are in place, which we expect in quarter ended March 2026.
- So, to give you a perspective, this is the kind of business that we will do going forward, where we will use our origination capabilities sitting in investment banking as well as private markets. We will identify such transactions and we will do transactions in our ARC where we are partnering with the best of names in the industry and work with them to turn around assets and not take on the responsibility of turnaround ourselves, which is what we were doing 10 years ago in the ARC. And this is the significant change that we have implemented 2 years ago in the ARC business.
- Moderator:** The next question is from the line of Prolin Nandu from Edelweiss Public Alternatives.
- Prolin Nandu:** Congratulations on great set of results. Three questions from my side. One is that I wanted to understand this rationale of selling a very small stake in housing finance business. Was it any sort of partnership that you envisaged with them? Or is it just to put an external value to this

piece? And can we expect more such transactions from here to your targeted IPO time line of 2028, 2029?

**Vishal Kampani:**

Yes. So, let me answer that question. I think the first reason to do the transaction is obviously to invite a good strategic investor, long-term investor in the company, and insurance sector investors are very long term. They take a 5- to 7-year view, and it's a good sort of partner to have on your cap table. Second, we have, of course, have a long-standing strong investment banking and advisory relationship with the Bajaj Group.

So our comfort with the Bajaj Group is very high, and we have a lot of respect for their business capabilities and what they have done in the financial services business. So that excites us that they would choose to make an investment in JM Financial, and we are very excited by the fact that Bajaj is an investor with us. On synergies, yes, there can be a lot of synergies with the Bajaj Group. Bajaj Housing is a very large player on the housing finance side, and we have sold portfolios to them in the past from our affordable housing finance business.

They could be longer-term investors in the housing finance business when we decide to IPO. They have insurance verticals through which we can choose to partner and work with them. So, there are a lot of synergies with a big house like Bajaj. And of course, we will explore all of those synergies. But the principal reason was to establish a valuation for the business.

And of course, when we do an IPO, we will, over the next 3 years, maybe do a couple of more stake sales like we have done with Bajaj, invite maybe 1 or 2 more partners in the cap table. And then we will file for an IPO, which will be around 3 years down the line.

**Prolin Nandu:**

The second question was on wealth management piece. Now see, there is a lot of competition, right, like somebody else also highlighted, right? But you mentioned that you are taking more of a 10-year kind of a view. But how do you see competition in acquiring talent, right? Because there's been a lot of poaching going on in this particular segment.

And also, when you think about the profitability of this segment, right, and you have highlighted how RMs have went up from 91 to 174. But have we reached the stage wherein the existing productivity gains of some of these RMs can take care of the incremental cost of hiring the RMs. Have we reached that stage in the business?

**Chirag Negandhi:**

Okay. Thanks for that question. Let me break this down as I said to answer this. When we talk about this as being a 10-year time line, it doesn't mean that we hope to breakeven in 10 years, and we'll overspend on the RMs or acquiring talent over the next 10 years, right? We are talking about the phase of the market and the phase of the business in India. We have been aggressive on it over the last 1 year.

And the way we see this that India continues to grow over the next 10, 15 years and beyond. And therefore, with that kind of a time line, we are not trying to go aggressive in overpaying any RM or building out a loss leadership kind of business. We want to get to a leadership stage, which we have a very strong 5-year plan about how we will get to a leadership stage and continue building from there.



And that's how we're thinking about these 10 years and not as a fly-by-night kind of we come in, we spend money, we build out RMs, we show you a higher count of RMs and we lose money on an RM. On an average, for us, post a decent year of productivity, the RMs start breaking even for themselves any which way. So, we are not in the game of trying to go out and poach people at obnoxious commitments of either payouts or equity in the business or any of that.

We want to build a solid team. We believe this is a long-term business. We will get people who want to play and be invested with us for the long term. And if somebody is purely being opportunistic from a 6-month or a 1-year time frame in terms of hoping that we will poach them from that time frame, let me assure you that we will stay away from such people.

**Prolin Nandu:**

Sure. Last question, Vishal, to you would be on the syndication piece, right, where you have mentioned that there is ample of liquidity, and we don't want to probably go out and drop our internal IRRs benchmark because of the liquidity. So, could you just double-click on this part as to how are you finding the opportunities despite ample liquidity? Is it because we are starting off a very low base or there is enough and more to be.

**Vishal Kampani:**

No, no. It's about the mix between interest income and syndication fees. When there is ample liquidity, I think you focus more on syndication, right? Because you don't want to compete for a risk-adjusted yield, which is kind of lower for you. So, your participation rate goes down, but your fee income probably goes up because there are more transactions to do when there is ample liquidity. So, the point I was trying to make is that we will think of it from a risk-adjusted basis. And that thought process will not change.

For example, when you go back to the peak real estate lending that was happening in the NBFC space in 2017, 2018, 2019, and we had kind of slowed our loan book growth when everybody was ramping up for almost 4 to 5 quarters. And that really helped us. Otherwise, god knows what the NPA number would have been.

So, I think there are times when you have to sacrifice greed for the sake of balance sheet. And what I was trying to say is that we will not take any step where the risk-adjusted returns are lower. Having said that, there is no concern on the horizon. I think corporates in India still are in the pink of health. And there is no sort of risk that we see, which we could see in certain sectors in that time period.

**Moderator:**

Ladies and gentlemen, due to time constraints, that was the last question for today. And I now hand the conference over to Mr. Vishal Kampani for closing comments.

**Vishal Kampani:**

Yes. Thank you, everyone, for joining this call. I think the pressure is now on us. We've delivered a great quarter. We've made significant investments. And I think we will be continuously focused on execution over the next couple of quarters to achieve the internal goals that we've set. Thank you.

**Moderator:**

Thank you. On behalf of JM Financial, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.