

July 28, 2021

BSE Limited  
Department of Corporate Services  
1<sup>st</sup> 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,

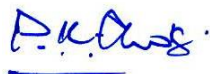
**Sub: Press Release on the unaudited financial results**

In continuation of our letter of even date enclosing therewith the unaudited financial results of the Company for the first quarter ended June 30, 2021, we are enclosing a copy of the Press Release being issued by the Company.

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

Thank you.

Yours faithfully,  
For **JM Financial Limited**



**Prashant Choksi**  
Group Head – Compliance,  
Legal & Company Secretary

Encl.: as above.

PRESS RELEASE  
For Immediate Release

**JM Financial's consolidated net profit increased by 117.01% YoY for Q1 FY22. This is the highest ever quarterly operating net profit reported.**

**Mumbai, July 28, 2021:** The Board of Directors of JM Financial Limited, at its meeting held today, approved the unaudited financial results for the first quarter ended June 30, 2021.

**Summary of Consolidated results FY 22 – Q1 compared to FY 21 – Q1**

(Rs. in Cr)

Particulars	Quarter ended June 30, 2021	Quarter ended June 30, 2020	% Increase / (Decrease)
Total income	992.55	691.11	43.62%
Profit before tax	360.40	184.17	95.69%
Net profit after tax and before non-controlling interest	274.78	139.61	96.82%
Net profit after tax, non-controlling interest and share of associate	203.14	93.61	117.01%

The earnings per share for the quarter ended June 30, 2021 is **Rs. 2.13**. The consolidated net worth\* as at June 30, 2021 stands at **Rs. 7,154 Cr** and the gross debt equity (equity of **Rs. 7,154 Cr** + non-controlling interest of **Rs. 2,673 Cr**) ratio is **1.09** times\* and net debt equity of **0.69** times\* (post reducing cash and cash equivalents of **Rs. 3,892 Cr**). The book value per share is **Rs. 75.03**.

Our consolidated loan book\*\* stood at **Rs. 11,014 Cr** as of June 30, 2021 compared to **Rs. 10,833 Cr** as of June 30, 2020. Gross NPA and Net NPA stood at **3.46%** and **1.89%** respectively as of June 30, 2021 compared to **1.80%** and **1.22%** respectively as of June 30, 2020. We have made additional gross provisions (including fair value loss) of **Rs. 132 Cr#** on account of the uncertainties around Covid-19 for the quarter ended June 30, 2021, thereby taking the total provisions to **Rs. 515 Cr#** on account of the pandemic.

\* Computed after reducing goodwill of Rs.52.44 Cr from shareholders' funds and excludes borrowings for episodic financing

\*\*Loan book does not include episodic financing book

# unaudited and based on management estimates

**Segment reclassification:** Until financial year 2020-21, our reportable business segments were (i) Investment banking, wealth management and securities business (IWS) (ii) Mortgage Lending (iii) Distressed credit and (iv) Asset Management.

During the quarter ended June 30, 2021, the underlying businesses of the reportable segments have been reclassified. The purpose of the said reclassification of business segments is primarily to create a client-aligned business structure to enable deeper focus, faster growth and a seamless execution of the organization's digital strategy. Accordingly, our reclassified business segments are as follows:

- i. **Investment Bank (IB)** shall cater to Institutional, Corporate, Government and Ultra High Networth clients and includes investment banking, institutional equities and research, private equity funds, fixed income, syndication and finance;
- ii. **Mortgage Lending** includes both wholesale mortgage lending and retail mortgage lending (home loans, education institutions lending and LAP);
- iii. **Alternative and Distressed Credit** includes the asset reconstruction business and alternative credit funds; and
- iv. **Asset management, Wealth management and Securities business (Platform AWS)** shall provide an integrated investment platform to individual clients and includes wealth management business, broking, PMS and mutual fund business

**Commenting on the results and financial performance, Mr. Vishal Kampani, Managing Director, JM Financial Group, said,**

“We have reported our highest ever quarterly operating net profit. Our diversified business model has demonstrated time and again resilience through economic and market volatility. This new realignment of business segments will facilitate seamless execution of our strategy. Over the last few years, the integration amongst the various sub businesses in IWS has worked extremely well. We believe that the new realignment will scale our businesses from the current levels and also ensure focus on new initiatives.

The Investment Bank has demonstrated strong performance and the pipeline is robust. The Alternative and Distressed credit business witnessed significant recovery during the quarter and contributed to the overall profitability of the Group. The disbursements in the Wholesale Mortgage Lending business will pick up post travel and other restrictions are eased. The infrastructure network of Retail Mortgage Lending is being built out rapidly. Platform AWS businesses have been integrated to focus on individual

customer segments' investment and savings needs. The Platform AWS business will be actively investing in various digital initiatives to enable rapid growth and top quality customer experience.

Overall, our strong balance sheet, well capitalised and diverse set of businesses and strategic client-focused approach positions us to perform well and drive sustainable value for our stakeholders as we are hopeful about economic revival in the year ahead.”

## **Business Update**

### **➤ Investment Bank**

During the quarter, our completed investment banking transactions include:

- Book Running Lead Manager to the
  - Initial Public Offer of Equity Shares of Sona BLW Precision Forgings Limited (~Rs. 5,550 Cr), Macrotech Developers Limited (~Rs. 2,500 Cr) and Shyam Metalics and Energy Limited (~Rs. 909 Cr)
  - Qualified Institutions Placement of Equity Shares of IDFC First Bank Limited (~Rs. 3,000 Cr)
  - Rights Issue of Equity Shares of Sundaram Finance Holdings Limited (~Rs. 355 Cr)
- Lead Manager for the Public Issue of NCDs by
  - Muthoot Finance Limited (~Rs. 1,700 Cr)
  - India Grid Trust (~Rs. 1,000 Cr) (Sole Lead Manager)
- Sole Broker to the Block trade of Equity Shares of TVS Motors Limited (~Rs. 1,506 Cr) and Suprajit Engineering Limited (~Rs. 237 Cr)
- Selling Broker to the Offer for Sale of Equity Shares of JSW Ispat Special Products Limited, Accelya Solutions Limited (~Rs. 248 Cr) and Orchid Pharma Limited (~Rs. 160 Cr)
- Sole Manager to
  - Voluntary Delisting of Equity Shares of Prabhat Dairy Limited (~Rs. 492 Cr)
  - Buyback of Equity Shares of NIIT Limited (~Rs. 237 Cr)
- Financial Advisor to Heineken for acquisition of 14.99% stake in United Breweries

- Exclusive Financial Advisor to the TVS Group on acquisition of ZF Friedrichshafen AG's 49% shareholding in Brakes India
- Exclusive Financial Advisor to the Open Offer to the equity shareholders of Timex Group India
- Financial and Transaction Advisor to IL&FS Group on sale of stake in IL&FS Environmental Infrastructure & Services Limited and its subsidiaries to EverEnviro Resource Management
- Financial Consultant to Vini Cosmetics on Sale of majority stake to KKR

During the quarter, we acted as an arranger to the Private Placement of:

- NCDs of REC Limited and HPCL. (~Rs. 5,950 Cr)
- Basel III compliant Tier II bonds of Union Bank of India. (~Rs. 1,000 Cr)

During the quarter, the average daily trading volume of our institutional equities business stood at **Rs. 481 Cr.**

The private equity fund, JM Financial India Fund II, has completed eight investments and has initiated the process for the fund raise for Fund III.

### ➤ **Mortgage Lending**

The total mortgage lending book (comprising of loan book of JM Financial Credit Solutions Limited and JM Financial Home Loans Limited) stood at **Rs. 7,614 Cr** as at June 30, 2021.

Our wholesale mortgage lending focuses on Tier - 1 cities, viz., Mumbai, Thane, Pune, Bangalore, Chennai, Hyderabad, Kolkata and NCR. Further details in respect of the wholesale mortgage lending are as under:

- SMA 2 numbers increased from 3.50% as of March 2021 of the portfolio to 5.99% as of June 2021 of the portfolio. During this period, the loan book has decreased from Rs. 7,219 Cr as of March 2021 to Rs. 7,166 Cr as of June 2021.
- Debt to equity stood at 1.30x and net debt to equity at 0.86x.

The last quarter has been impacted due to lockdowns faced in different geographies in different measures. Though the collections seen from projects in the quarter were still healthy, the footfalls in the projects saw a sharp decline and hence impacted the

fresh sales in most projects. Having said that the general sentiment towards residential real estate remains positive and we are witnessing increased demand across ticket sizes. We are also witnessing rapid consolidation in the sector whereby the amount of sales done by top developers as a percentage of overall sales is increasing gradually and significantly. Given the reduction of the inventory overhang across geographies and the rise in demand, developers are looking at acquiring new projects and we will witness increase in new launches.

All the above have been in line with our expectations and we feel that this end user driven sales is here to stay. We are cautiously evaluating opportunities across geographies and will look at gradually increasing the lending book. However, the fear of the third wave continues to keep us cautious in underwriting loans.

➤ **Alternative and Distressed Credit**

Higher focus on recoveries yielded results and recoveries during quarter were about **~Rs. 1,071 Cr** and Security Receipts of **~Rs. 226 Cr** were redeemed. We also acquired loans of two companies during the quarter. The outstanding Security Receipts stood at **Rs. 10,885 Cr** as on June 30, 2021 as compared to **Rs. 11,060 Cr** as on March 31, 2021. The contribution of JM Financial Asset Reconstruction Company Limited towards the Security Receipts stood at **Rs. 3,150 Cr** as on June 30, 2021 as compared to **Rs. 3,193 Cr** as on March 31, 2021. Until June 30, 2021, we have acquired total outstanding dues of **Rs. 62,116 Cr** at a gross consideration of **Rs. 17,477 Cr**. Going forward, our focus would remain on recoveries and resolution while we continue to work with financial and strategic investors for acquisition.

➤ **Asset Management, Wealth Management and Securities business (Platform AWS)**

The AUM\* of our wealth businesses stood at **Rs. 78,320 Cr** comprising of

- Private wealth management at **Rs. 60,385 Cr** (excluding custody assets) as on June 30, 2021 as compared to **Rs. 47,579 Cr** as on June 30, 2020 and **Rs. 59,052 Cr** as on March 31, 2021.
- Retail wealth management at **Rs. 17,276 Cr** as on June 30, 2021 as compared to **Rs. 14,253 Cr** as on June 30, 2020 and **Rs. 16,171 Cr** as on March 31, 2021.

- Elite wealth management at **Rs. 659 Cr** as on June 30, 2021 as compared to **Rs. 237 Cr** as on June 30, 2020 and **Rs. 549 Cr** as on March 31, 2021.

The average AUM of our Mutual Fund schemes during the quarter ended June 30, 2021 stood at **Rs. 2,135 Cr**; comprising of **Rs. 522 Cr** in equity schemes (including hybrid schemes) and **Rs. 1,613 Cr** in debt schemes (including liquid scheme). The average AUM of our Mutual Fund schemes during the quarter ended March 31, 2021 stood at **Rs. 2,389 Cr**; comprising of **Rs. 591 Cr** in equity schemes (including hybrid schemes) and **Rs. 1,798 Cr** in debt schemes (including liquid scheme). Mr. Amitabh Mohanty has been newly appointed as a Managing Director and Chief Executive Officer of JM Financial Asset Management Limited.

The AUM of our PMS business stood at **Rs.757 Cr** as on June 30, 2021 as compared to **Rs.480 Cr** as on June 30, 2020 and **Rs.673 Cr** as on March 31, 2021. Mr. Vinay Jaising has joined us as Co-Head of PMS.

During the quarter, the average daily trading volume of our retail broking business stood at **Rs. 11,502 Cr**.

### **Borrowing Profile**

We continued our focus on diversifying our sources and maturities for our borrowing profile. As on June 30, 2021 our long term borrowing as a proportion of total borrowing stood at **approximately 81%**. Borrowing through Commercial paper (CP) consisted **approximately 12%** of the total borrowing as on June 30, 2021. These CPs were utilised primarily towards the financing of short-term liquid assets.

### **Awards & Recognitions**

#### **The Great Place to Work Institute. India's Best Companies To Work For, 2021**

- JM Financial Home Loans Limited recognized among India's Top 50 Great Mid-Sized Workplaces 2021

*\* Assets under Management (AUM) comprises distribution assets and advisory assets, as applicable*

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*The press release and unaudited financial results are available on our website [www.jmfl.com](http://www.jmfl.com)*

## About JM Financial

JM Financial is an integrated and diversified financial services group. The Group's primary businesses include (i) **Investment Bank (IB)** shall cater to Institutional, Corporate, Government and Ultra High Networth clients and includes investment banking, institutional equities and research, private equity funds, fixed income, syndication and finance; (ii) **Mortgage Lending** includes both wholesale mortgage lending and retail mortgage lending (home loans, education institutions lending and LAP); (iii) **Alternative and Distressed Credit** includes the asset reconstruction business and alternative credit funds; and (iv) **Asset management, Wealth management and Securities business (Platform AWS)** shall provide an integrated investment platform to individual clients and includes wealth management business, broking, PMS and mutual fund business.

As of June 30, 2021, the consolidated loan book stood at **~Rs. 110.1 BN**, distressed credit business AUM at **~Rs. 108.8 BN**, wealth management AUM at **~Rs. 783.2 BN**, mutual fund AAUM at **~Rs. 21.3 BN**.

The Group is headquartered in Mumbai and has a presence across **575** locations spread across **177** cities in India. The equity shares of JM Financial Limited are listed in India on the BSE and NSE.

For more information, log on to [www.jmfl.com](http://www.jmfl.com) or **contact:**

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**Forward - Looking statements**

This press release ('document') containing JM Financial Group's activities, projections and expectations for the future, may contain certain forward-looking statements based upon the information currently available with the Company or any of its subsidiaries and associate companies. The financial results in future may vary from the forward-looking statements contained in this document due to uncertainties and unforeseen events that may impact the businesses of the JM Financial Group. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

This document is for information purposes only and any action taken by any person on the basis of the information contained herein is that person's responsibility alone and neither JM Financial Group nor any of their directors or employees will be liable in any manner for the consequences of such actions.