

PRESS RELEASE  
For Immediate Publication

**JM Financial FY 14 consolidated revenue at Rs.1,007 crore and consolidated profit up by 13 % to Rs.206 crore. The Board of Directors recommends a final dividend of Re.0.55 per share.**

**Mumbai, May 06, 2014:** The Board of Directors of JM Financial Limited at their meeting held today considered and approved the audited financial results for the year ended March 31, 2014. The Board also recommended a final dividend of Re. 0.55 per share of the face value of Re. 1/- each. The final dividend, if declared at the ensuing Annual General Meeting, will result in cash outflow of Rs. 41.61 crore. Considering the payment of an interim dividend of Re 0.45 per share in February 2014, the total dividend for the financial year 2013-14 would be Re. 1.00 per share.

#### **Consolidated Results – Key Highlights:**

##### **FY 14 – Q4 compared to FY 13 – Q4**

- Total income at Rs. 255.16 crore compared to Rs. 278.35 crore.
- The profit before tax at Rs. 71.16 crore compared to Rs. 77.96 crore
- Net profit after tax, minority interest and share of associates at Rs. 59.43 crore compared to Rs. 69.76 crore.

##### **FY 14 compared to FY 13**

- Total income at Rs. 1,006.67 crore compared to Rs. 1,042.23 crore.
- The profit before tax at Rs. 280.16 crore compared to Rs. 253.93 crore.
- Net profit after tax, minority interest and share of associates at Rs. 209.53 crore compared to Rs. 182.92 crore.

The Earnings Per Share and Diluted Earnings Per Share, for the year ended March 31, 2014 is Rs. 2.78 and Rs. 2.72 respectively.

**Announcing the results, Mr. Nimesh Kampani, Chairman, JM Financial Group** said, "The eyes of the whole world are on the outcome of the Indian elections currently underway. Market participants are counting on a stable government at the Centre and this has been the cause of the euphoria that has taken our indices to lifetime highs. The new government has its task cut out and reviving overall growth, job creation and curtailing inflation will be at the top of its agenda. While geopolitical concerns remain at a global level, we believe that they may not majorly affect the improvement in economic conditions that is being witnessed.

We kept our focus on converting opportunities even as business conditions continued to remain challenging and on active risk management which helped us post growth in performance. The group's Investment banking and Asset Reconstruction businesses have done particularly well during the quarter. Given the improving growth prospects for India, we believe we are well positioned to take benefit of the same and continue with our growth trajectory.

#### **Business Update**

##### **Investment banking and securities business:**

During the quarter, we acted as book running managers to the Rs. 1,993 Crore Tata Power rights issue. We were also appointed as one of the team members for Rs. 5,449 Crore block trade for a partial exit by SUUTI (Specified Undertaking of the Unit Trust of India) in Axis Bank. The Monetary Authority of Singapore (MAS) has issued the Capital Markets Services (CMS) licence to JM Financial Singapore Pte Ltd. in January 2014. Our Singapore subsidiary continues to generate traction and during the quarter JM Financial Singapore acted as the financial advisor to Boston based Foliage Inc on its sale to French company Altran SA.

The Institutional Equity Business continues to gain traction with investors being optimistic about growth prospects given the positive political outlook. We held our India Conference in New York during March 2014, which was well received by clients and corporates. Participants from 50 funds and 15 corporates attended the conference.

In the non-institutional equity brokerage business, the major focus was on advisory based services where we offer advisory for multiple products. We have presence in 248 locations spread across 116 cities through a network of branches and franchisees.

In the wealth management business, we retained our focus on providing complete financial and custody solutions to high net worth families and advising large corporate treasuries for their investments and fund raising requirements. The assets under advice of our wealth management business stand at approximately Rs.13,500 Crore as on March 31, 2014. During the quarter, the focus for corporate clients was on mobilization of Fixed Income investments through various products like Short Term Funds, Income Funds, Structured Fixed Maturity Plans, Corporate Fixed Deposits, Commercial Papers, Certificate of Deposits, Non-Convertible Debentures and Bonds. For High Net worth clients, the focus was on mobilization of investments in Structured Products, Tax Free Bonds, Debt Funds, Equity Advisory Assets, Non-Discretionary PMS Assets and Managed PMS Assets.

In the distribution business, we continued our focus on mobilization of mutual funds, public issues, fixed deposits and corporate bonds. We have a large network of over 8,500 active Independent Financial Distributors (IFDs) who distribute various financial products across the country. During the quarter, we mobilized more than Rs.1,300 Crore in fixed deposit schemes and fixed income products of various companies.

#### **Fund based activities:**

We continued funding activities in the areas of loan against securities and loan against commercial real estate properties. Loan against securities include products like Loan against shares, Margin Funding, ESOP Financing, Sponsor financing and IPO funding. The overall funding book stood at Rs. 2,978 Crore as on March 31, 2014. We witnessed a 15% growth in the steady state lending book during the quarter ended March 31, 2014. The treasury book as on March 31, 2014 for the fixed income securities stood at Rs. 534 Crore. We continued with our activities of debt-raising through various money market instruments, other medium to long term instrument and secured credit facilities from Banks.

The Asset Reconstruction Business saw a surge in acquisition activity during the last quarter of FY 2014. As expected, Banks announced several portfolio auctions and a number of deals were closed. We closed a substantial number of transactions during the Quarter. The Quarter also saw an increase in recoveries from acquired accounts owing to multiple strategies initiated across assets. With high level of NPAs and restructured assets in the banking system and an increased thrust by Reserve Bank of India for controlling NPAs, the future outlook for the business looks promising.

#### **Alternative Asset Management:**

At the end of the quarter, the combined AUM/ AUA of the Private Equity Fund and Real Estate Fund stood at around Rs.1,188 crore. During the quarter, the Private Equity Fund distributed monies

from sale of one of its investments. The RE Fund realized Rs. 14.97 crores from its portfolio companies at a multiple of 3.24x during the quarter.

The Private Equity Fund and the Real Estate Fund have enhanced their focus on working closely with portfolio companies in helping them grow their businesses as well as in seeking exit opportunities.

### **Asset Management:**

The Mutual Fund's average AUM as on March 31, 2014 stood at Rs. 6,046 crore. The average AUM under Equity schemes was at Rs. 458 crore and under the Debt Schemes was at Rs. 5,588 crore.

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The audited financial results are attached. Both, the press release and audited financial results are available on our website [www.jmfl.com](http://www.jmfl.com)

### **About JM Financial**

JM Financial is an integrated financial services group offering a wide range of capital market services to its corporate and individual clients. The Group's businesses include investment banking, institutional equity sales, trading, research and broking, private and corporate wealth management, equity broking, portfolio management, asset management, commodity broking, fixed income broking, non-banking finance products, private equity and asset reconstruction. For more information, log on to [www.jmfl.com](http://www.jmfl.com)

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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.

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