

PRESS RELEASE

For Immediate Publication

JM Financial FY 15 consolidated revenue up by 39% to Rs.1,403 crore and consolidated profit up by 58 % to Rs.331 crore. The Board of Directors recommends a final dividend of Re.0.80 per share.

Mumbai, May 29, 2015: The Board of Directors of JM Financial Limited at its meeting held today considered and approved the audited financial results for the year ended March 31, 2015. The Board also recommended a final dividend of Re. 0.80 for each equity share of the face value of Re. 1/- each. The total dividend for the financial year 2014-15 would be Rs. 1.35 per share including the interim dividend of Re 0.55 paid by the Company.

Consolidated Results – Key Highlights:**FY 15 – Q4 compared to FY 14 – Q4**

- Total income increased by 54% to Rs. 392.86 crore from Rs. 255.16 crore.
- Profit before tax increased by 123% to Rs. 158.45 crore from Rs. 71.16 crore
- Net consolidated profit after tax increased by 56% to Rs. 92.96 crore from Rs. 59.43 crore.

FY 15 compared to FY 14

- Total income increased by 39% to Rs. 1,403.04 crore from Rs. 1,006.67 crore.
- Profit before tax increased by 85% to Rs. 516.91 crore from Rs. 280.16 crore
- Net consolidated profit after tax increased by 58% to Rs. 330.52 crore from Rs. 209.53 crore.

Earnings Per Share and Diluted Earnings Per Share, for FY 15 is Rs. 4.32 and Rs. 4.25 respectively.

Announcing the results, Mr. Nimesh Kampani, Chairman, JM Financial Group said, “JM Financial has posted strong financial performance and has continued its trend of delivering sustained growth. Our focus on advisory business and lending in specific segments has helped increase the revenue and profits.

The operating environment for Indian corporate sector has improved during FY 15 with signs of stability in the macro-economic scenario. However, to facilitate rapid economic growth, it is imperative to see greater Government focus to revive stalled projects, enhance infrastructure spending, big tickets structural reforms, with major support of fiscal and monetary policy on the demand side. Considering the very high percentage of infrastructure projects in the NPAs in banking sector and the fact that these projects are at various stages of stalled activity, there is a pressing need for the authorities to work on a long term solution to resolution of these bad loans even as they focus on creating the much needed infrastructure.

Going forward, we expect the trends to remain positive in our businesses. Looking ahead, we continue to remain optimistic about the group's opportunities and earning potential in the financial services sector.”

Business Update

Investment banking & securities business:

During the last quarter our Investment banking division executed following transactions:

- Acted as managers to Qualified Institutional Placement by HDFC Bank Ltd – Rs. 2,000 crore.
- Acted as selling broker to the Offer for Sale by Coal India Limited – Rs.22,528 crore.
- Acted as lead financial and transactional advisor to Adani Enterprises on a composite scheme of arrangement involving demerger of its ports, power and transmission undertakings;
- Provided fairness opinion in relation to UltraTech Cement's acquisition of business units from Jaiprakash Associates pursuant to a Scheme -Rs.5,325 crore.
- Provided fairness opinion relating to the merger of Aditya Birla Chemicals (India) limited with Grasim Industries - Rs.561 crore.
- Acted as managers to the rights issue of Future Retail Limited – Rs.1,589 crore.

The pipeline of our investment banking business continues to remain healthy with several mandated transactions under execution. We shall continue to increase our focus on M&A and Private Equity advisory business.

Our Institutional Equities Business saw good momentum with addition of new clients during the quarter.

We hosted the New York Conference in the month of March which got an overwhelming response from both, the corporates and institutional investors, who attended the series of events spanning over 2 days.

In our wealth management business, the assets under management stood at approximately **Rs.17,383 Crore** as on March 31, 2015. Our focus on client centric solutions is bearing fruits.

In the distribution business, we have a large network of approximately **7,200** active Independent Financial Distributors (IFDs) who distribute various financial products across the country. We have presence in **256** locations spread across **110** cities through a network of branches and franchisees. During the quarter, we mobilized more than **Rs.1,050 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 commercial real estate / properties and loan against securities. During the current year we will increase the book further with increased borrowing on the back of the increased capital. Loan against securities include products like Loan against shares, Sponsor Funding, Margin Funding, ESOP funding and IPO funding. The overall funding book stood at **Rs. 5,388 Crore** as on March 31, 2015. The treasury book for the fixed income securities stood at **Rs.359 Crore**. We expanded our sources of borrowing covering various money market instruments, other medium to long term instruments and secured credit facilities from Banks.

During the Quarter, Banks continued to auction NPA portfolios. Unlike previous years, the acquisition activity by Asset Reconstruction Companies (ARCs) during the March quarter was subdued. Deal closure was a challenge due to mismatch in price expectations of Banks and ARCs. We closed a few deals during the quarter including acquisition of fresh accounts as well as aggregation of debt in previously acquired accounts. The quarter was good for us in terms of recoveries from already acquired accounts backed by recovery from restructured accounts and settlement with borrowers. With Reserve Bank of India's continuous thrust on controlling the high level of stressed assets in the banking industry, it is expected that Banks will continue to offload non-performing assets to ARCs.

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.940 crore**. The reduction in the revenues from this segment is on account of reduced management fees attributable to the exits made by the Funds. This trend will continue except in case there is earning in the nature of carry on completion of all exits.

Our private equity fund completed exit from one of its investments during this quarter. The Fund is working closely with its portfolio companies in helping them grow their businesses as well as to seek exit opportunities."

Our Real Estate Fund continues to focus on working closely with the management of the portfolio companies in seeking exit opportunities. Significant progress has been made towards realizing exits from some of the Fund's investments. As of March 31, 2015, the domestic scheme of the Fund has returned an aggregate 50% of the capital contribution received by it and the offshore scheme made its first distribution aggregating 13% of its capital contribution in Indian Rupee terms.

Asset Management:

The Mutual Fund's average AUM as on March 31, 2015 stood at **Rs. 12,231 crore**. The average AUM under Equity schemes was at **Rs. 5,168 crore** and under the Debt Schemes was at **Rs. 7,063 crore**.

Awards and Recognition:

Our investment banking arm has been recognized as the "M & A Deal Maker of the Year" at the 'BW Business World Magna Awards 2015'.

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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

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

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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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