

**JM Financial FY 16 consolidated revenue up by 20% to Rs.1,685 crore and consolidated profit up by 21 % to Rs.400 crore. The Board of Directors recommends a final dividend of Re. 0.85 per share.**

**Mumbai, May 13, 2016:** 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, 2016. The Board recommended final dividend of Re. 0.85 for each equity share of the face value of Re.1/- each. The total dividend for the financial year 2015-16 would be Rs. 1.45 per share including interim dividend of Re. 0.60 paid by the Company.

**Q4 - FY 16 compared to Q4 - FY 15**

(Rs. in crore)

Particulars	Quarter ended March 31, 2016	Quarter ended March 31, 2015	% Increase
Total income	474.55	392.86	21%
Profit before tax	201.35	158.45	27%
Net profit after tax and before minority interest	148.24	114.04	30%
Net profit after tax, minority interest and share of associates	113.74	92.96	22%

**FY 16 compared to FY 15**

(Rs. in crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	% Increase
Total income	1,684.67	1,403.04	20%
Profit before tax	692.85	516.91	34%
Net profit after tax and before minority interest	525.73	379.28	39%
Net profit after tax, minority interest and share of associates	400.46	330.52	21%

The Earnings per share and Diluted Earnings per share, for FY 16 is Rs. 5.08 and Rs.5.04 respectively. The consolidated net worth as at March 31, 2016 stands at Rs. 2,804 crore and the debt equity ratio is 2.4 times. The net debt equity ratio is 2.1 times.

**Commenting on the results and financial performance, Mr. Nimesh Kampani, Chairman, JM Financial Group, said,**

*"In the context of the long term sustained growth objective of the government, the focus on infrastructure and rural sectors in the budget was a step in the right direction. The decision of rate cut by the Reserve Bank of India in its bi-monthly monetary policy was also a welcome step to incentivise the economy.*

*India is projected to become the world's fastest growing economy by 2017 and is expected to sustain such growth over foreseeable timeframe.. Therefore despite the uncertainty in emerging and global markets, Indian markets will still offer tremendous wealth creation opportunities for the Investors.*

*We delivered sound results this year as well. Looking at the performance for the full year, the fund based businesses and asset management business have done reasonably well. It reflects our ongoing strategy to build platforms for growth while continuing focus on maintaining leadership in the advisory business. We also remain focused on maintaining prudent risk profile and building on our core values.*

*As we enter into the next financial year, while our priorities remain the same with an addition of focus to leverage on evolving opportunities in technology backed platforms that can be complimentary to our businesses."*

**Business Update**

**Investment banking and securities business:**

**Investment Banking business** continues to grow with a robust deal pipeline and several mandated transactions under execution. The business saw closure of long running transactions during this quarter. Given our in-depth understanding of the industry and Capital Markets, we continue to lead in the industry with customised advisory solutions.

During the quarter our Investment banking team executed the following deals:

- As BRLM for Qualified Institutional Placement by Suprajit Engineering Limited – Rs 150 crore
- As financial advisor to Bain Capital for its investment in QuEST Global Services Pte Ltd.
- As Financial advisor and manager to the delisting offer made by Essar Oil Limited.
- As Sole financial advisor to Hotel Leelaventures Limited on the closure of the Leela, Goa to Medtube Group.

- As Sole financial advisor and merchant banker to Reliance Infrastructure Limited for their open offer to the shareholders of Pipavav Defence and Offshore Engineering Company Limited.
- As advisor and arranger for a Private Equity investment round for a leading healthcare distribution company.

Our **Institutional Equities business** continued to focus on strengthening our client relationships across geographies and adding new clients. Our international offices in New York, Singapore and Mauritius have clearly helped deepen our relationships with marquee global funds.

During the quarter, the Institutional Equities business hosted its 6th annual investor conference in New York in March 2016. The conference was extremely well received with strong participation from both leading corporates and large institutional investors.

The business also continues to expand and deepen its research product across a wide spectrum of sectors and companies and latest technology enhancements across functions.

**Investment Advisory and Distribution business** offers wealth management, equity brokerage and Independent Financial Distribution services.

**Wealth management business** offers wealth management services to High Net worth, Ultra High Net worth & Corporate clients and follows model of asset allocation and custody services. Open product architecture through combination of in-house offerings and third party products positioned JM Financial as "Unbiased trusted advisor" to the clients. We follow a hub and spoke model where the smaller cities are covered by the team based in our offices in 7 major cities.

The **AUM** of our wealth management business stood at over **Rs. 26,958 crore** as on March 31, 2016. We have presence in 7 major cities in India (Mumbai, New Delhi, Bangalore, Hyderabad, Kolkata, Ahmedabad and Pune) with team of more than 50 experienced wealth advisors catering to Ultra High Net worth families, High Net Worth families and corporate treasuries.

Our **Equity brokerage business** offers equity sales and trading services to HNIs, Corporates and Retail clients. This group is supported by technical and fundamental research teams who generate Investment and derivative strategists who generate Investment and Trading ideas.

We have presence in 260 locations spread across 111 cities through a network of branches and franchisees.

In the **distribution business**, we have a large network of over 8,300 active Independent Financial Distributors (IFDs) who distribute various financial products

across the country. During the quarter, we helped corporates mobilise more than Rs. 930 Crore in fixed deposit schemes and fixed income products.

Mutual fund mobilization was to the tune of Rs.30,846 crore and IPO distribution was to the tune of Rs.2,922 crore during the quarter.

### **Fund based business:**

The overall lending book stood at **Rs. 7,214 crore** as on March 31, 2016 as against Rs.5,388 crore as on March 31, 2015. Out of the total lending book, the real estate lending was **Rs.5,629 crore** whereas the non-real estate lending was **Rs.1,586 crore**. The treasury book as on March 31, 2016 for the fixed income securities stood at **Rs. 257 crore**. We continued our efforts of diversifying our sources and maturities for our borrowing profile. Our long term borrowing as a proportion of total borrowing stood at approximately **37 %** on March 31, 2016. Our commercial real estate funding focus is on Tier - 1 cities, viz., Mumbai, Pune, Bangalore and Chennai. We plan to selectively enter into new geographies to expand our business. The Budget proposal to extend the recovery powers to NBFC's under the SARFESI Act will help our risk mitigation and recovery processes.

During the quarter, **the asset reconstruction business** actively participated in several NPA auction processes and also initiated discussions with banks for acquiring non-performing assets. This was a good quarter in terms of acquisition. We closed nineteen deals – nine fresh acquisitions and ten deals as part of debt aggregation. Focused efforts were made towards resolution of our acquired portfolio and majority of the recovery came from restructured accounts.

Recognising the role of Asset Reconstruction Companies (ARCs) in dealing with high level of stress in the Indian banking system, the Budget also addressed a long standing demand from the ARCs to enable sponsors to hold up to 100% stake in an ARC. In addition, the Budget has also allowed 100% FDI in ARCs through automatic route. These provisions will open up avenues for ARCs and facilitate them to strengthen the capital base and effectively participate in the huge NPA market in India. Allowing non-institutional investors to invest in SRs and removing the 74% investment cap in each scheme of SRs for FPIs will lead to increase in the depth of Security Receipts market. The budget also provides clarity on taxation in the hands of Trusts set up by ARCs and confers a pass-through status to the Trusts. Passing of the Bankruptcy Law is another positive development towards NPA resolution.

With persistent high level of NPAs, improving economic scenario and increasing recognition for the role of ARCs, the outlook for the business looks promising. We will continue to focus on acquisition of accounts with revival potential and restructuring & resolution of our acquired portfolio.

### **Alternative Asset Management:**

At the end of the quarter, the combined AUM/AUA of our private equity and real estate funds stood at around Rs. 770 crore.

Both the **private equity fund** and **real estate fund** continue to work closely with its portfolio companies to seek exit opportunities.

The **Private Equity Fund** returned an **aggregate 74.90%** of the capital contribution received from its Investors in Indian Rupee terms.

The domestic scheme of the **Real Estate Fund** returned an **aggregate 54%** of the capital contribution received by it and the **offshore scheme returned 49%** of its capital contribution both in Indian Rupee terms.

**Asset Management:**

We offer a bouquet of 17 mutual fund schemes across the risk-return spectrum that cater to the specific needs of both institutional and non-institutional investors. Our risk and fund management framework allows us to effectively manage risk while generating high quartile returns across the product categories that we offer.

**The average AUM** of our Mutual Fund schemes during the quarter ended March 31, 2016 stood at **Rs. 16,161 crore**. Out of this AUM, the AUM in the **equity schemes was at Rs. 7,114 crore**, under the **Arbitrage scheme at Rs 2,966 crore** and the **AUM of the debt schemes stood at Rs. 6,081 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) 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.

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