

PRESS RELEASE  
For Immediate Publication

## **JM Financial announces unaudited financial results for the quarter and half year ended September 30, 2013.**

**Mumbai, October 29, 2013:** The Board of Directors of JM Financial Limited, at its meeting held today, considered and approved the unaudited financial results for the quarter and half year ended September 30, 2013.

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

#### **FY 14 – Q2 compared to FY 13 – Q2**

- Total income increased by 1.07 % to Rs. 247.67 crore from Rs. 245.03 crore.
- The profit before tax increased by 23.67 % to Rs. 68.26 crore from Rs. 55.20 crore
- Net profit after tax, minority interest and share of associates rose by 49.47 % to Rs. 50.40 crore from Rs. 33.72 crore.

The Earnings per share and Diluted Earnings per share, for the quarter ended September 30, 2013 is Re. 0.67 and 0.66 respectively (not annualised).

#### **FY 14 – H1 compared to FY 13 – H1**

- Total income increased by 6.88 % to Rs. 529.58 crore from Rs. 495.50 crore.
- The profit before tax increased by 30.40 % to Rs. 147.35 crore from Rs. 113.00 crore
- Net profit after tax, minority interest and share of associates rose by 53.47 % to Rs. 105.94 crore from Rs. 69.03 crore.

The Earnings per share and Diluted Earnings per share, for the half year ended September 30, 2013 is Re. 1.40 and 1.38 respectively (not annualised).

### **Commenting on the results, Mr. Nimesh Kampani, Chairman, JM Financial Group said,**

“The uncertain economic environment has put a lot of stress on the financial sector. The Indian markets have been caught in the headwinds of global uncertainty like the impending tapering of easy liquidity by US Fed and increasing political uncertainty on the domestic front.

The new Governor of the RBI, Dr Raghuram Rajan, has begun taking steps in line with his stated objective of controlling inflation by maintaining a tight monetary policy. He has also emphasised the need to boost financial savings.

We maintained the pace of overall business but were extremely focused on asset quality. The falling volumes in secondary markets and increasing skew towards F & O segments put pressure on broking business. The NSEL episode further dampened the business mood among non-institutional investors.”

## **Business Update**

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

During the quarter, the Investment banking business closed the public issue of Non-Convertible Debentures of Shriram Transport Finance Co. Ltd. for Rs. 736 crore. We also announced the open offer by Diageo and United Spirits to public shareholders of Pioneer Distilleries, where we acted as Manager to the open offer. Transactions announced earlier such as tender offer by Aditya Birla Nuvo Limited to public shareholders of Pantaloon Fashions & Retail Limited as part of the scheme of demerger of Pantaloon format business from Future Retail Limited, where we acted as advisors to Aditya Birla Nuvo, closed during the quarter

The Institutional Equities business continues to focus on greater client servicing. We held our Asia conference in August which was attended by 60 investors and 15 corporates and was well received by investors and corporates alike.

In equity brokerage business, the major focus was on advisory based services where brokerage yields are higher. We have a presence in 263 locations spread across 114 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. Our wealth management business assets under advice stand at around Rs. 18,700 crore as on September 30, 2013. During the quarter, focus for corporate clients was on mobilization of Fixed Income investments through various products like Short Term Funds, Income Funds, Structured Fixed Maturity Plans, Commercial Papers, Certificate of Deposits and Bonds. For High Net worth clients focus was on mobilization of Equity Advisory Assets, Real Estate and related products.

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 IFAs who are distributing various financial products across the country. During the quarter we have mobilised more than Rs. 800 crore in fixed deposit schemes and fixed income products of various companies.

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

The quarter ended September 2013 was one of the most challenging quarters. The pressure created due to monetary policies adopted by the RBI was clearly evident as the rates shot up overnight in short term money market which further resulted into pressure on liquidity. Overall funding book stood at Rs. 2,486 crore. The treasury book for the fixed income securities stood at Rs. 303 crore. The margin earned on assets funded has improved on quarter on quarter basis due to increase in the lending rate.

The Indian Banking sector is grappling with a high level of NPAs. With the expectation that a sizeable proportion of restructured assets will slip into NPAs in the coming years, the distressed assets market should provide more opportunities. The Quarter saw a high level of activity from Banks, announcing a number of portfolio auctions. However, deal closure for stressed asset acquisition remained a challenge and we could only close one deal. Resolution was steady owing to multiple strategies initiated across assets.

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

The combined AUM / AUA of the Private Equity Fund and Real Estate Fund stood at around Rs.1,300 crore at the end of the quarter.

The Private Equity Fund and the Real Estate Fund continue to work closely with portfolio companies in helping them grow their businesses as well as in seeking exit opportunities.

#### **Asset Management:**

The average AUM of JM Financial Mutual Fund for the quarter ended September 30, 2013 stood at Rs. 6,235 crore. The average AUM under Equity schemes was at Rs. 443 crore and under Debt Schemes was at Rs. 5,792 crore.

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The Unaudited financial results are attached. Both, 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 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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