

JM Financial reports consolidated profit up by 34 % for the Q2 FY 16.

Mumbai, October 29, 2015: 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, 2015.

Consolidated Results – Key Highlights:

FY 16 – H1 compared to FY 15 – H1

- **Total income increased by 22 %** to Rs. 784.64 crore from Rs. 643.62 crore
- **Profit before tax increased by 42 %** to Rs. 313.37 crore from Rs. 221.13 crore
- **Net profit after tax and before minority interest increased by 40 %** to Rs.227.55 crore from Rs.162.63 crore
- **Net profit after tax, minority interest and share of associates increased by 13 %** to Rs. 169.61 crore from Rs. 150.54 crore

FY 16 – Q2 compared to FY 16 – Q1

- **Total income increased by 5 %** to Rs. 401.62 crore from Rs. 383.02 crore
- **Profit before tax increased by 15 %** to Rs. 167.55 crore from Rs. 145.83 crore
- **Net profit after tax and before minority interest increased by 27 %** to Rs.127.32 crore from Rs.100.23 crore
- **Net profit after tax, minority interest and share of associates increased by 34 %** to Rs. 97.26 crore from Rs. 72.35 crore

The Earnings per share and Diluted Earnings per share, for the half year ended September 30, 2015 is Rs. 2.15 and Rs. 2.14 respectively (not annualised). The consolidated net worth as at September 30, 2015 stands at Rs. 2,720 crore and the debt equity ratio is 2 :1

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

“In a move that came as a surprise to the market, the bold 50 basis point repo rate cut by the Reserve Bank of India will reinvigorate the investment sentiment and will boost growth in the upcoming quarters.

The financial performance for the quarter and half year ended September 30, 2015 was on expected lines. The group’s fund based business and asset management business have done well. While the securities business performed well, the volatility in the markets has hampered the timeliness of deal closures.

We shall continue to navigate challenges, and deliver on our commitments to our clients, shareholders and communities and as always, we operate with our strong and time tested values.”

Business Update

Investment banking and securities business:

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

- Acted as Global Coordinator and BRLM to Qualified Institutional Placement by Indusind Bank – Rs. 4,328 crore.
- Acted as selling broker to the Offer for Sale by Indian Oil Corporation Limited – Rs.9,396 crore.
- Acted as selling broker to the Offer for Sale by Network 18 Media and Investments – Rs. 182 crore.
- Acted as the lead financial advisor to Adani Enterprises Limited on its composite scheme of arrangement and subsequent listing of a resultant company, Adani Transmission Limited.
- Acted as financial and structuring advisor to Balkrishna Industries Limited for its scheme of arrangement pertaining to demerger of its paper division undertaking and subsequent listing of the resultant company.
- Acted as advisor for listing of Gujarat Gas Limited (resultant company) pursuant to its scheme of arrangement.
- Acted as advisor on sale of Telangana based grain spirit distillery, Shasta Bio Fuels to Allied Blenders & Distillers.

The pipeline of our investment banking business continues to remain healthy with several mandated transactions under execution.

The **Institutional Equities business** saw continued steady client interaction and growth momentum during the quarter. New institutional clients continue to be added to the client muster, in line with the strategy of increasing the breadth and reach of our product.

The annual conference hosted by the Institutional Equities business is slated to be held during November 2015 in Mumbai. The conference will be represented by senior industry captains as keynote speakers and around 70 Indian corporates interacting with more than 150 institutional investors – domestic and global.

The Institutional Equities business continues to expand on its research product, distribution and technology enhancements across functions.

In the **wealth management business**, the assets under management stood at over Rs.23,900 Crore as on Sep 30, 2015. 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. We are focused on increasing our coverage and AUM in this business.

In the **distribution business**, we have a large network of over 7,650 active Independent Financial Distributors (IFDs) who distribute various financial products across the country. As per Prime Database, we are ranked amongst Top 4 players in HNI and Retail categories for distribution of equity issuances for the period Apr to Sep 2015 with around 14% market share of the amount procured.

We have presence in 267 locations spread across 111 cities through a network of branches and franchisees.

Fund based activities:

The overall funding book stood at **Rs. 6,118 Crore** as on September 30, 2015 as against Rs.5,492 Crore as on June 30, 2015. The treasury book as on September 30, 2015 for the fixed income securities stood at **Rs. 130 Crore**. We continued efforts of diversifying our sources and maturities for our borrowing. Our long term borrowing as a proportion of total borrowing stood at around 30 % on September 30, 2015 as compared to 23 % on June 30, 2015.

In the **asset reconstruction business**, during the quarter, banks continued to announce portfolio auctions for offloading their NPA accounts. However, as with previous quarters, for ARC acquisitions, deal closure remained a challenge. We actively participated in several auction processes and also pursued single credit accounts with banks and promoters. We closed four deals during the quarter – three as part of debt aggregation and one fresh acquisition. Recovery efforts for acquired accounts continued and majority of the recovery came from restructured accounts and settlement with borrowers. We are focused on resolution and restructuring of our largest acquisition of single account viz., Hotel Leelaventures. We are hopeful to achieve the resolution in stages over coming two to three quarters.

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.900 crore.

JM Financial India Fund (the Fund), our **private equity fund** continues to work closely with its portfolio companies in helping them grow their businesses as well as to seek exit opportunities. As on September 30, 2015, the Fund has returned an aggregate 71.70 % of the capital contribution received from its Investors in Indian Rupee terms.

Our **Real Estate Fund** too continues to work closely with the portfolio companies to seek suitable exit opportunities.

As on September 30, 2015, the domestic scheme of the Real Estate Fund has returned an aggregate 50% of the capital contribution received by it and the offshore scheme has returned 41% of its capital contribution in Indian Rupee terms.

Asset Management:

The domestic investors have reposed their faith in Indian equities which is reflected in our AUM in most of the Equity Schemes. As a matter of fact, our Equity Schemes have been doing consistently well and most of these schemes have performed better in the volatile market conditions.

We are focused on a disciplined investment approach.

The **average AUM** in our Mutual Fund during the quarter September 30, 2015 stood at **Rs. 15,858 crore**, under Equity schemes was at Rs. 9,741 crore and under the Debt Schemes was at Rs. 6,117 crore.

Rating:

CRISIL has upgraded long term rating for JM Financial Group to 'CRISIL AA/Stable' (upgraded from CRISIL AA-/Positive) which is so far the best long term rating by CRISIL amongst the Industry peers.

Awards and Recognition:

JM Financial Singapore Pte Ltd was awarded "Dealmaker of the Year" for Altran Acquisition of Foliage Inc at The Acquisition International 2015 M&A Awards.

JM Financial Services Limited has also been recognised as the Best Performing National Financial Advisor – Institutional by UTI & CNBC.

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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

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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