

PRESS RELEASE*For Immediate Release*

JM Financial FY 10-11 consolidated revenue up by 42% and consolidated profit up by 15%. The Board recommends a dividend of Re 0.60 per share.

Mumbai, May 25, 2011: 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, 2011

Consolidated Financial Results - Key Highlights:

- > Total income increased to Rs. 895.13 crore as compared to Rs. 628.79 crore
- > Net operating profit before tax increased to Rs. 227.87 crore as compared to Rs. 201.45 crore
- > Net profit after tax, minority interest and share of associates rose to Rs. 174.56 crore as compared to Rs. 151.66 crore.

The Earnings per Share (EPS), for the year ended March 31, 2011 is Rs. 2.33.

The Board of Directors has recommended a dividend of Re_ 0.60 per share. which if declared at the Annual General Meeting will result in cash outflow of Rs. 44.99 crore.

The consolidated net worth stands at Rs.1.814 crore as at March 31, 2011. The aggregate debt component as at that date is Rs. 3.264 crore, implying a leverage of 1.80x.

Announcing the results, Mr. Nimesh Kampani, Chairman, JM Financial Group said. "We have witnessed yet another year of impressive financial performance. Almost all our businesses have registered steady growth and posted higher revenues. The investment banking and securities business and securities funding business have been significant contributors to our overall growth.

He said that the Capital Markets intermediaries are reeling under pressure on account of wafer thin margins caused by very strong competition and overbanked markets. Despite these pressures, we are pleased to have posted growth and will continue to focus on increased footprint and better retention of margins. There is an increased activity on the funding and asset restructuring side and we target to grow these businesses with a close watch on asset quality. We continue to carry a healthy provision for standard assets. He also mentioned that we are keenly watching the mutual fund segment for policy initiatives to recalibrate growth plans.

Business Update

investment banking and securities business:

The Investment banking business had three major deal closures during the quarter. The deals include; public issue of equity shares aggregating Rs. 433 crore by PTC India Financial Services Limited and the QIPs by Mahindra & Mahindra Financial Services Limited and Canara Bank for Rs.426 crore and Rs.1,993 crore respectively_ We also closed two tranches of infrastructure Bonds by IDFC Ltd.

The investment advisory and distribution business continued to gather momentum. It continued to expand its franchisee network and 45 new franchisees were added during the quarter, With this. it has increased its presence to 135 cities across the country. The company enhanced its

mobilizations of fixed income products and also increased its AUMs in debt & liquid mutual funds. The number of secondary market client services by the company are in excess of 50,000 and primary market client services are in excess of 350,000.

The Institutional Equities Business continues to grow with new client additions and stocks under research coverage. During the quarter, we focussed on increasing our corporate access and research coverage. Our conferences continued to generate interest both from Investors and Corporates.

Securities funding and fund based activities:

The overall funding book increased to Rs. 1,987 Crore as on March 31, 2011 from Rs. 1,869 Crore as on December 31, 2010.

Our fixed income operations continued to gain momentum. The total book size as on March 31, 2011 was at around Rs. 747 crore.

With upward revision in the provisioning requirement for NPAs, Banks will have additional pressure to reduce their NPA book resulting in incremental business for the Asset Reconstruction Companies. During the 4th quarter, the Asset Reconstruction business made multiple acquisitions and also ventured into the Retail segment of the distressed debt market. Resolution strategies were initiated for majority of the assets acquired.

Alternative Asset Management:

At the end of the quarter, the combined AUM AUA of the private equity fund, real estate fund and special situations fund stood at around Rs. 1,725 crore.

Infinite India, the investment manager to the real estate fund sponsored by JM Financial Group, has launched its new real estate domestic fund for investments in income generating assets called JM Financial Real Estate Income Fund, registered with SEM as a Domestic Venture Capital Fund. The investment manager, for its existing fund, is of an advanced stage of closing a new investment in Bangalore in a residential development project.

Asset Management:

The latest average Mutual Fund AUM stood at Rs. 6,083.55 crore, as against Rs. 6,208.99 crore as on December 31, 2010. The latest average AUM under Equity schemes was at Rs. 836.60 crore and under the Debt Schemes it was at Rs. 5,246.95 crore.

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The available financial results are attached. Both the press release and audited financial results are available on our website - www.knfinancial.in

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.jmfinancial.in.

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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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