

***JM Financial's consolidated revenue is up by 41% and consolidated net profit is up by 18 % for Q2 FY 17***

**Mumbai, October 28, 2016:** The Board of Directors of JM Financial Limited, at its meeting held today, approved the unaudited financial results for the quarter and half year ended September 30, 2016.

**Summary of Consolidated results FY 17 – Q2 compared to FY 16 – Q 2**

(Rs. in crore)

Particulars	Quarter ended September 30, 2016	Quarter ended September 30, 2015	% increase
Total income	563.80	401.10	40.56%
Profit before tax	228.99	167.55	36.67%
Net profit after tax and before minority interest	157.34	127.32	23.57%
<b>Net profit</b> after tax, minority interest and share of associates	114.65	97.26	17.88%

**Summary of Consolidated results FY 17 – H1 compared to FY 16 – H1**

(Rs. in crore)

Particulars	Half year ended September 30, 2016	Half year ended September 30, 2015	% Increase
Total income	1,040.34	784.12	32.68%
Profit before tax	400.08	313.37	27.67%
Net profit after tax and before minority interest	274.45	227.55	20.61%
<b>Net profit</b> after tax, minority interest and share of associates	200.75	169.61	18.36%

The Earnings per share and Diluted Earnings per share, for the half year ended is Rs. 2.54 and Rs. 2.52 respectively (not annualised). The consolidated net worth as at September 30, 2016 stands at Rs.3,012 crore and the debt equity ratio is 2.8 times. The book value per share is Rs.38.

**JM Financial Limited**

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**Commenting on the results and financial performance, Mr. Vishal Kampani, Managing Director, JM Financial Limited, said,**

“India is today one of the most vibrant global economies. A normal monsoon, control over inflation and the passage of GST, add to our optimism about India’s growth prospects. Corporate efforts at reorganising businesses to manage the debt servicing are a very welcome development for the economy and banking system.

The Group’s fund based business continued to perform well during the quarter and was the major contributor to the group’s profits. Our loan book was stable with steady NIMs and good asset quality. We continued to cautiously evaluate new opportunities in stressed assets space. We are very focused on growing our ARC business in a profitable manner over near term.

It was a good quarter for our Investment banking business as well, as we completed 6 capital markets and 5 M&A transactions and continue to grow with a robust deal pipeline with several mandated transactions under execution.”

**Business Update**

**Investment banking, Wealth Management and Securities business**

• **Investment Banking**

The Investment Banking business continues to grow with a robust deal pipeline and several mandated transactions under execution. Our approach is relationship driven and we continue to build on areas of competitive advantage and continue to add value to our clients with our advice.

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

- BRLM for Initial Public Offer of ICICI Prudential Life Insurance Company Limited – Rs 6,057 crore.
- BRLM for Initial Public Offer of L & T Technology Services Limited – Rs 894 crore.
- BRLM for Initial Public Offer of Dilip Buildcon Limited – Rs 654 crore.
- BRLM for Qualified Institutional Placement by Motherson Sumi Systems Limited – Rs 1,993 crore.
- Manager to buy-back offer by Wipro Limited – Rs 2,500 crore.
- Manager to the open offer to the public shareholders of Mphasis Limited by Blackstone group.

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- Sole financial advisor to TransUnion LLC for increasing its stake in TransUnion CIBIL Limited.
- Advisor to the Restructuring of the Promoter Group's shareholding in Mafatlal Industries, NOCIL and Navin Fluorine.
- Fairness Opinion to the Board of Grasim on the Merger of Aditya Birla Nuvo with Grasim and the subsequent Demerger of the Financials Services business into Aditya Birla Financial Services.
- Fairness Opinion to the Board of State Bank of India on the schemes of acquisition of State Bank of Bikaner and Jaipur, State Bank of Mysore, State Bank of Travancore and Bharatiya Mahila Bank. The scale achieved from the merger is expected to catapult SBI into the list of the world's top 50 banks by asset size.
- Fairness opinion to the board of directors of The Bombay Dyeing and Manufacturing Company limited on merger of its wholly owned subsidiary, Archway Investments Limited.

- **Wealth Management**

Wealth Management business offers wealth management services to High Net worth families, Ultra High Net worth families & corporate treasuries 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 have presence in 7 major cities in India (Mumbai, New Delhi, Bangalore, Hyderabad, Kolkata, Ahmedabad and Pune) with team of more than 60 experienced wealth advisors. 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 Rs. **21,895 crore** (excluding custody assets) as on September 30, 2016.

- **Securities business**

Equity Brokerage business offers equity sales and trading services to High Net worth Individuals, Corporates and Retail clients. This group is supported by technical and fundamental research teams and derivative strategists who generate Investment and Trading Ideas. We have presence in **259** locations spread across **115** cities through a network of branches and franchisees.

India continues to attract significant equity flows from both foreign and domestic investors and we are well geared for this opportunity. The business continues to focus on expanding research coverage and deepening client relationships across

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geographies. Our international offices in Singapore and USA have also helped us to establish new relationships with investors focused on the Indian equity markets.

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.960 crore** in fixed deposit schemes and fixed income products.

During the quarter, the average daily trading volume stood at Rs. **3,190 crore**.

### **Fund based business**

The lending book of **JM Financial Products** stood at **Rs. 3,939 crore** as on September 30, 2016. Out of the said lending book, the Corporate and capital market lending book stood at **Rs. 2,148 crore** and the real estate lending at **Rs. 1,791 crore**.

During the quarter, in **IPO financing business**, we funded 13 IPO's wherein the aggregate amount of funding was around **Rs.20,000 crore**.

The lending book of **JM Financial Credit Solutions** stood at **Rs. 4,462 crore** as on September 30, 2016 which majorly comprises of real estate lending book. Our commercial real estate funding focus is on Tier - 1 cities, viz., Mumbai, Thane, Pune, Bangalore, Chennai and Hyderabad. We plan to selectively enter into new geographies to expand our business. In light of the prevailing stress in the economy, we have been extremely selective and continue to remain focused on the asset quality.

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 **40%** on September 30, 2016.

We also propose to enter the housing finance business. We will leverage our experience in the real estate lending space in our foray into the housing finance business with a focus on affordable housing segment.

During the quarter, the **asset reconstruction business** saw Banks and even few NBFCs announcing various portfolio auctions. We actively participated in several auction processes and also pursued corporate accounts and bids were submitted for several accounts. We closed four deals during the quarter with two fresh acquisition and two deals as part of debt aggregation process. Fresh acquisition included a portfolio of 11 accounts. We made continuous effort for resolution of accounts by way of restructuring of accounts, settlement with borrowers and sale of Assets. Majority of the recovery during the quarter came from settlement of accounts.

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The amendments in SARFAESI Act are aimed at faster recovery and resolution of bad debts by banks and financial institutions. In order to improve the framework for sale of stressed assets, the Reserve Bank of India issued a new guideline on Sale of Stressed Assets by Banks. The guideline lays down mechanism for timely identification of stressed accounts and appropriate actions to ensure there is low vintage, true sale and better price realisation for banks.

The above measure further emphasizes the resolve of the Regulator and Government towards improving the stretched NPL position.

JM Financial Asset Reconstruction Company Private Limited has become a subsidiary of the Company upon it acquiring an additional 0.01% equity shares.

### **Asset Management Business**

Asset Management business comprises of **Mutual fund, Private Equity Fund and Real Estate Fund.**

- **Mutual Fund**

We offer a bouquet of **17** mutual fund schemes across the risk-return spectrum that caters 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 September 30, 2016 stood at **Rs. 13,612 crore**; comprising of **Rs. 6,739 crore** in equity schemes and **Rs. 6,873 crore in debt schemes.**

- **Private Equity and Real Estate Fund**

At the end of the quarter, the combined AUM/AUA of our private equity and real estate funds stood at around **Rs.708 crore.**

Both the private equity and real estate funds continue to work closely with their portfolio companies to seek exit opportunities.

As on September 30, 2016, the private equity fund has returned an **aggregate of 75.90 %** of the capital contribution received from its Investors in Indian Rupee terms.

As on September 30, 2016, the domestic scheme of the Real Estate Fund has returned an **aggregate of 53.10%** of the capital contribution received by it and the offshore scheme returned **48.50%** of its capital contribution in Indian Rupee terms.

We have appointed a new CEO and initiated the process of launching a new Private Equity fund of approximately Rs.750-1,000 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) or **contact:**

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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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