

AJM FINANCIAL

PRESS RELEASE
For Immediate Release

JM Financial FY 09-10 consolidated revenue at Rs.598.81 crore and consolidated profit at Rs.151.66 crore. The Board recommends a normal dividend of Re 0.25 per share and a "silver jubilee special dividend" of Re 0.25 per share.

Mumbai, May 25, 2010: The Board of Directors of JM Financial Limited today approved the audited financial results for the year ended March 31, 2010.

Consolidated Financial Results - Key Highlights:

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- A Total income of Rs. 598.81 crore compared to Rs.464.92 crore.
- > Net operating profit before tax at Rs. 201.45 crore compared to loss of Rs.78.49 crore. (including reversal of provision of Rs. 40.51 crore in current year and provision of Rs. 153.90 crore, in the previous year)
- A Net consolidated profit at Rs.151.66 crore compared to loss of Rs. 105.22 crore.

The Earnings Per Share (EPS), for the year ended March 31, 2010 is Rs. 2.02.

The Board of Directors has recommended a normal dividend of Re.0.25 per share and a "silver jubilee special dividend" of Re 0.25 per share on account of this year being the twenty-fifth year of the Company. The dividend as recommended by the Board, if declared at the Annual General Meeting will entail payment of Rs. 37.49 crore (excluding dividend distribution tax)

The group net worth stands at Rs. 1,702 crore. The aggregate debt component as on 31st March, 2010 is Rs.1,842 crore, implying a leverage of 1.08x.

Announcing the results, Mr. Nimesh Kampani, Chairman, JM Financial Group said, "During the year, almost all the businesses in the group have grown and posted higher revenues as compared to the last year. The institutional equities division continues to grow steadily providing quality research and analysis-based banking services to both domestic and offshore institutional clients. Our distressed assets business has also made considerable progress in terms of assets acquired and resolved. Given the increased confidence in the business outlook, the NBFC arm has stepped up its lending/trading activity which is reflected in the increased level of borrowing and lending. During the year the Company enhanced focus on the fixed income products business and recruited a team of senior people with extensive experience in this business.

While the Company saw continuing benefits of cost optimization efforts implemented during the aftermath of the global financial crisis, the employee cost across businesses increased in line with the market trends on executive compensation. The total employee strength on March 31, 2010 stood at 1,064 against 1,067 on March 31, 2009.

Given the robust growth prospects, JM Financial seeks to further consolidate its position as one of the premier financial services groups in India. We remain committed to delivering value to all our stakeholders."

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JM Financial Limited

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Business Update

Investment banking and securities:

The Investment banking business closed four deal closures during the quarter. These include public issues of Rural Electrification Corporation Limited of Rs. 3,530 crore and IL&FS Transportation Networks Limited of Rs.700 crore. QIP for JSL Limited of Rs247 crore, and Rights issue for Swaraj Mazda Limited of Rs. 80 crore.

The Institutional Equities business forges ahead on good momentum with enhanced focus on clients and increase in research under coverage_

The Investment Advisory arm focused on enhancing its reach through sub-broker/franchisee network to 92 cities from 44 cities during the year. The AUM in wealth management business stood at over Rs. 23,000 crore.

Securities funding and fund based activities:

Financing activity in the last quarter gained momentum. The margin funding book has grown more than double as compared to last year in line with enhanced business opportunities. The company actively traded in corporate bonds and government securities, the position of which peaked at around Rs. 560 crore during the quarter and was around Rs. 450 crore as on March 31, 2010.

With RBI focusing on development of the distressed assets market and reducing the overall NPAs in the banking system, the prospects of the Asset Reconstruction Business looks promising.

Alternative Asset Management:

At the end of the quarter, the combined AUM and AUA of the private equity fund, real estate fund, and special situations group stands at around Rs.1.700 crore. The private equity fund has been fully drawdown. During the quarter, the private equity fund made a new investment in the financial services space. The real estate sector is showing signs of revival_ The domestic scheme of the real estate fund is fully drawdown whereas the international scheme is drawdown to the extent of 40%.The real estate fund has been evaluating new investment opportunities which may materialize over the next quarter.

Asset Management

The total AUM as on May 25, 2010 stood at around Rs. 8,734 crore. This comprises AUM under Equity schemes at Rs. 2,001 crore and under Debt Schemes at Rs. 6,733 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.gfrifinancial.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, fixed income distribution, trading & broking, non-banking financial products, private and corporate wealth management, equity broking, portfolio management, asset management, commodity broking, private equity and asset reconstruction. For more information, log on to www.imfinancial.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, joint ventures 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.

This document is for information purposes only and any action taken by any person on the basis of the information contained herein is that person's responsibility alone and neither JM Financial Group nor any of their directors or employees will be liable in any manner for the consequences of such actions.