

July 19, 2019

BSE Limited
Department of Corporate Services
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort,
Mumbai 400001

National Stock Exchange of India Limited
Exchange Plaza
Plot No.C-1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051

Security Code: **523405**

Symbol: **JMFINANCIL**

Dear Sirs,

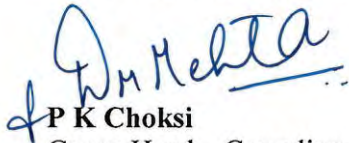
Sub: Outcome of the Board Meeting

In furtherance to our even date letter, a copy of the Press Release being issued by the Company along with Corporate Presentation is enclosed.

We request you to disseminate the above information on your website.

Thank you.

Yours faithfully,
for JM Financial Limited



P K Choksi
Group Head – Compliance, Legal
& Company Secretary

Encl: a/a

PRESS RELEASE
For Immediate Release

JM Financial's consolidated revenue increased by 0.48% and consolidated net profit is decreased by 10.81% for Q1 FY20.

Mumbai, July 19, 2019: The Board of Directors of JM Financial Limited, at its meeting held today, approved the unaudited financial results for the first quarter ended June 30, 2019.

Summary of Consolidated results FY 20 – Q1 compared to FY 19 – Q1

(Rs. in Cr)

Particulars	Quarter ended June 30, 2019	Quarter ended June 30, 2018	% Increase / (Decrease)
Total income	856.57	852.47	0.48%
Profit before tax	302.37	316.39	(4.43%)
Net profit after tax and before non-controlling interest	195.03	199.23	(2.11%)
Net profit after tax, non- controlling interest and share of associates	127.29	142.72	(10.81%)
Adjusted Net Profit after tax, non-controlling interest and share of associates ^{1,2}	144.28	163.39	(11.70%)

1. Includes diminution (net of tax and non-controlling interest) in fair value of investments (excluding security receipts held by ARC) amounting to~ Rs.16.99 Cr for Quarter ended June 30, 2019 and ~Rs. 20.67 Cr for quarter ended June 30, 2018.

2. Adjusted for diminution / (gain) in fair value of investments (excluding security receipts held by ARC) & is based on management estimates & have not been subjected to audit or review.

The Earnings per share and Diluted Earnings per share, for the quarter ended June 30, 2019 is Rs.1.51. The consolidated net worth* as at June 30, 2019 stands at Rs.5,208.94 Cr and the gross debt equity (equity + non-controlling interest) ratio** is **1.92** times* and net debt equity of **1.65** times*. The book value per share is Rs. - 61.95. Our total loan book stood at **Rs. 13,926** crore** as of June 30, 2019 compared to **Rs. 16,442 crore** as of June 30, 2018. Gross NPA and Net NPA stood at **0.90%** and **0.80%** respectively as of June 30, 2019 compared to **0.56%** and **0.51%** respectively as of June 30, 2018.

* Computed after reducing goodwill of Rs.52.44 Cr from shareholder's funds

**Loan book does not include IPO Financing book and Borrowings do not include borrowings for IPO Financing

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

“The NBFC and HFC sectors have been facing headwinds since last September. Given the situation we are maintaining high liquidity levels in the group. The liquidity starvation since last September and the negative carry on account of the high liquidity maintained in the group are getting reflected in the numbers. During this period, we have demonstrated resilience and will continue to remain prudent. Our pipeline for investment banking transactions continues to remain robust.”

Business Update

➤ **Investment banking, Wealth Management and Securities business (IWS)**

During the quarter, some of our completed investment banking transactions were as follows:

- Left Lead Coordinator & Book Running Lead Manager to the Initial Public Offer of Metropolis Healthcare Limited (~Rs. 1,200 Cr).
- Manager to buy back of equity shares of Cyient Limited (~Rs. 200 Cr).
- Manager and Selling Broker to the Offer for Sale of equity shares of Reliance Nippon Life Asset Management Company Limited (~Rs. 1,069 Cr), L&T Technology Services Limited (~Rs. 639 Cr) and Xchanging Solutions Limited (~Rs. 79 Cr).
- Lead Manager to the public issue of Non-Convertible Debentures of JM Financial Products Limited (~Rs. 387 Cr).
- Book Running Lead Manager to the REIT Listing of Embassy Office Parks (~ Rs. 4,750 Cr).

The AUM/AUA of our wealth management business stood at **Rs. 43,038 Cr** (excluding custody assets) as on June 30, 2019 as compared to **Rs. 42,808 Cr** as on June 30, 2018 and **Rs. 41,886 Cr** as on March 31, 2019.

During the quarter, the average daily trading volume stood at **Rs. 8,205 Cr**.

During the quarter, in IPO financing business, we funded **6 public issues (including 2 NCD issues)** wherein the aggregate amount of funding was around **Rs. 5,757 Cr**.

Our loan book in the IWS segment stood at **Rs. 5,320* Cr** as on June 30, 2019.

**Does not include IPO Financing book*

➤ Mortgage Lending

The total mortgage lending book stood at **Rs. 8,455 Cr** as on June 30, 2019. Our wholesale mortgage lending focuses on Tier - 1 cities, viz., Mumbai, Thane, Pune, Bangalore, Chennai, Hyderabad, Kolkata and NCR. We are at the initial stages of our retail mortgage lending and are currently focused on acquiring the right talent, employing technology and processes before we ramp up our presence in terms of products and geography.

The real estate sector is currently majorly affected due to liquidity crunch being faced by the sector. This has been due to various factors starting from the introduction of RERA to demonization to GST. The final blow came in the form of the recent liquidity issues being faced by NBFCs and HFCs. This has also impacted the pace of the ongoing projects as most NBFCs have slowed down disbursements to committed sanctions and almost stopped any new sanctions. Moreover, some of the HFCs have also slowed down home loan disbursements leading to difficulties in new sales and collections. However, sales continue to be healthy in the affordable and mid segments, completed inventory and in projects being developed by reputed developers.

In the backdrop of the above mentioned scenario our portfolio has largely been unaffected due to the below mentioned reasons:

- Majority of the portfolio is cashflow backed. Even since September 2018, we have not been witnessing a slowdown in the weekly collections in our escrow accounts. This demonstrates that sales and collections are still happening at the right price point at good locations and in projects being developed by reputed builders.
- Low concentration risk and geographic diversification – We have always focused on keeping the average exposure to each group below INR 100 crs and have avoided concentration to any one geography.
- 22% of the portfolio are loans given against ready inventory which witnesses robust sales and collection.

We have carried out stress tests under multiple scenarios on our loan book and have realized that though developers might face liquidity mismatch, the portfolio has

healthy security / cashflow covers to enable us to recover our entire loan even if the situation were to worsen.

➤ **Distressed Credit**

During the quarter, Banks/NBFCs announced various NPA portfolio auctions. We closed 2 deals during the quarter for one of our accounts as part of debt aggregation. During the quarter, the focus of Asset Reconstruction business was primarily on recoveries and resolution and we saw recoveries from various accounts.

The outstanding Security Receipts (SRs) stood at **Rs. 14,191 Cr** as on June 30, 2019 as compared to **Rs. 14,044 Cr** as on March 31, 2019. The contribution of JM Financial Asset Reconstruction Company Limited stood at **Rs. 3,140 Cr** as on June 30, 2019 and **Rs. 2,939 Cr** as on March 31, 2019.

➤ **Asset Management**

The average AUM of our Mutual Fund schemes during the quarter ended June 30, 2019 stood at **Rs. 7,710 Cr**; comprising of **Rs. 4,642 Cr** in equity schemes (including hybrid schemes) and **Rs. 3,068 Cr** in debt schemes (including liquid scheme). The average AUM of our Mutual Fund schemes during the quarter ended March 31, 2019 stood at **Rs. 8,712 Cr**; comprising of **Rs. 5,659 Cr** in equity schemes (including hybrid schemes) and **Rs.3,053 Cr** in debt schemes (including liquid scheme).

Borrowing Profile

We continued our efforts of diversifying our sources and maturities for our borrowing profile. During the quarter, we raised **Rs.387 Cr** in the public issue of secured Non-Convertible Debentures in JM Financial Products Limited. Our long term borrowing as a proportion of total borrowing stood at **approximately 72%*** as on June 30, 2019.

** Does not include short term borrowings related to IPO financing*

Awards & Recognitions

- JM Financial Services Limited has been recognized among India's 20 Best Workplaces in BFSI – 2019 by Great Place to Work®.

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The unaudited financial results are attached. The press release and unaudited financial results are available on our website www.jmfl.com

About JM Financial

JM Financial is an integrated and diversified financial services group. The Group's primary businesses include (a) Investment banking, wealth management and securities (IWS) which includes fee and fund based activities for its clients (b) Mortgage Lending which includes both wholesale mortgage lending and retail mortgage lending (home loans, education institutions lending and LAP) (c) Distressed credit which includes the Asset Reconstruction business (d) Asset Management includes the mutual fund business.

As of June 30, 2019, the consolidated loan book stood at **~Rs. 139.3 BN**, distressed credit business AUM at **~Rs. 141.9 BN**, wealth management AUM at **~Rs. 430.4 BN**, mutual fund AAUM at **~Rs. 77.1 BN**.

The Group is headquartered in Mumbai and has a presence across **343** locations spread across **120** cities in India. The equity shares of JM Financial Limited are listed in India on the BSE and NSE.

For more information, log on to www.jmfl.com or **contact:**

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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.

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.



JM Financial Limited

Quarter ended June 30, 2019 – Results update

July 19, 2019

Safe Harbour

This presentation and the following discussion may contain “forward looking statements” by JM Financial Limited (“JM Financial” or “JMFL” or the “Company”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives are based on the current beliefs, assumptions, expectations, estimates and projections of the management of JMFL about the business, industry and markets in which JMFL operates.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond JMFL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

Such statements are not and should not be construed as a representation of future performance or achievements of JMFL. In particular, such statements should not be regarded as a projection of future performance of JMFL. It should be noted that the actual performance or achievements of JMFL may vary significantly from such statements.

Table of Contents

Group Performance

Business Performance

Group Structure and Shareholding Pattern

Group Overview

Annexures

Key Highlights – Consolidated Performance

	Revenues	PBT	Net Profit	EPS	BVPS	ROA*	Gross Debt **/ Equity#	ROE*
Q1 FY20	857 Cr ↑ 0.5%	302 Cr ↓ -4.4%	127 Cr ↓ -10.8%	1.51 ↓	61.95 ↑	3.4% =	1.92x ↓	9.9% ↓
Q1 FY19	852 Cr	316 Cr	143 Cr	1.70	55.34	3.4%	2.73x	12.5%
	Revenues	PBT	Net Profit	EPS	BVPS	ROA*	Gross Debt **/ Equity#	ROE*
FY19	3,499 Cr ↑ 15.4%	1,283 Cr ↑ 10.1%	572 Cr ↓ -4.8%	6.82 ↓	60.47 ↑	3.4% ↓	1.94x ↓	11.9% ↓
FY18	3,033 Cr	1,165 Cr	601 Cr	7.48	53.73	4.1%	2.54x	16.5%

Rs.

Computed after including minority and reducing goodwill of Rs. 52.44 cr.

* Annualised

** Gross debt does not include borrowings for IPO Financing.

Consolidated Profit & Loss Statement

Particulars (Rs Cr)	Q1FY20	Q1FY19	YoY %	Q4FY19	QoQ %
Gross Revenue	857	852	1%	792	8%
Finance cost	350	335	4%	352	-1%
Net Loss on Fair value changes	#	-	N/M	22	N/M
Impairment of Financial Instruments*	24	19	22%	(14)	N/M
Employee cost	105	107	-1%	103	3%
Depreciation	10	6	55%	7	43%
Other expenses	65	69	-5%	78	-17%
PBT	302	316	-4%	245	24%
Tax Expense	108	117	-8%	69	57%
PAT	195	199	-2%	176	11%
Share in profit of Associates	#	#	N/M	#	N/M
Net profit before Minority Interest	195	199	-2%	176	11%
Minority Interest	(68)	(56)	20%	(48)	42%
Net profit	127	143	-11%	129	-1%
Adjusted net profit**	144	163	-12%	147	-2%

denotes amount less than Rs. 1 crore

*includes provision on account of Expected Credit Loss(ECL)

**Adjusted for diminution / (gain) in fair value of investments (excluding security receipts of ARC) & is based on management estimates & have not been subjected to review or audit

Consolidated Balance Sheet

Particulars (Rs Cr)	As at June 30, 2019	As at March 31, 2019
Assets		
Loan book - Static Financing * (Gross loan book: Q1FY20 – Rs. 13,926 Cr; FY19 – Rs. 14,107 Cr)	13,828	13,999
Loan book - Episodic Financing *	742	-
Distressed asset book (Investment in SRs / Loan)	4,280	4,194
Cash and cash equivalents**	1,993	1,737
Other Investments	962	842
Arbitrage and trading book	305	312
Property, Plant and Equipment	415	372
Trade Receivables	548	685
Other assets	443	442
TOTAL	23,516	22,583
Equity and Liabilities		
Shareholders' Funds	5,209	5,079
Non Controlling Interest	2,218	2,150
Share of security receipt holders	484	484
Borrowings (Static Financing)***	14,270	13,991
Borrowings (Episodic Financing)***	740	-
Trade Payables	318	417
Other Liabilities and Provisions	277	462
TOTAL	23,516	22,583

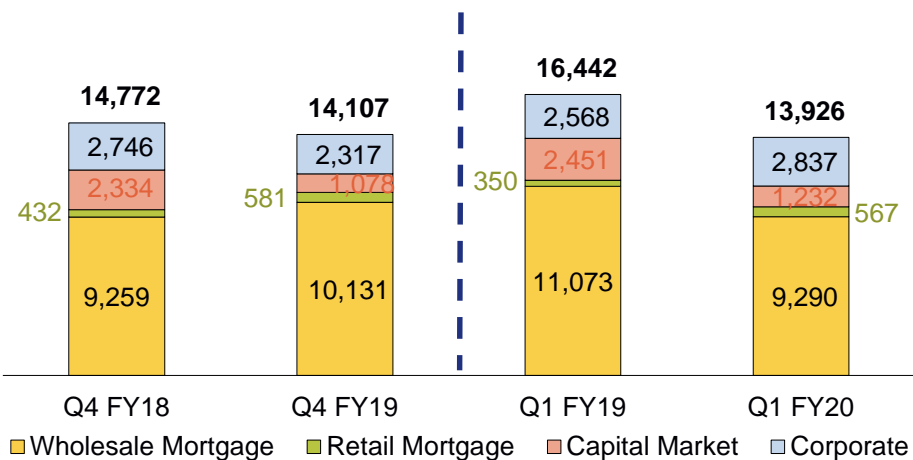
* Including accrued interest and Net of Expected Credit Loss and EIR

**including investments in liquid mutual fund

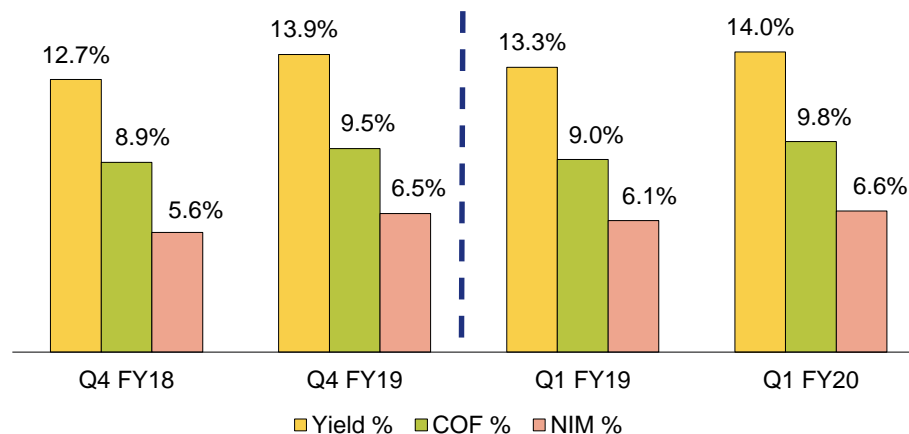
*** Including accrued interest

Lending book Profile

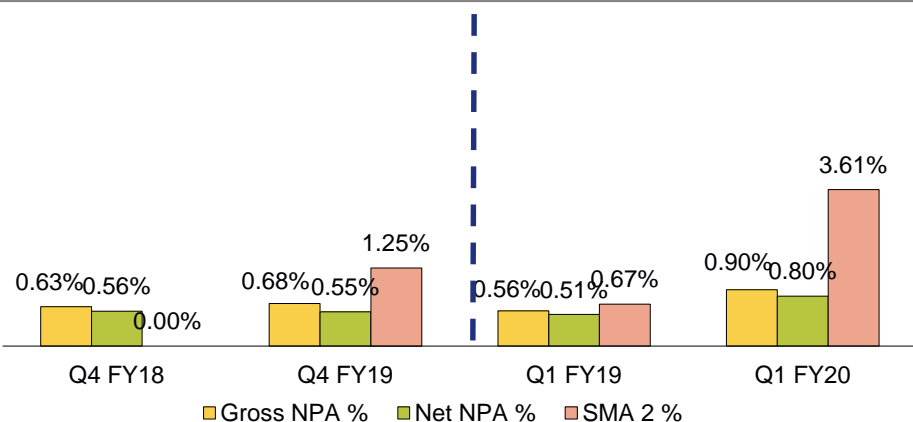
Gross Loan Book (Rs Cr)#



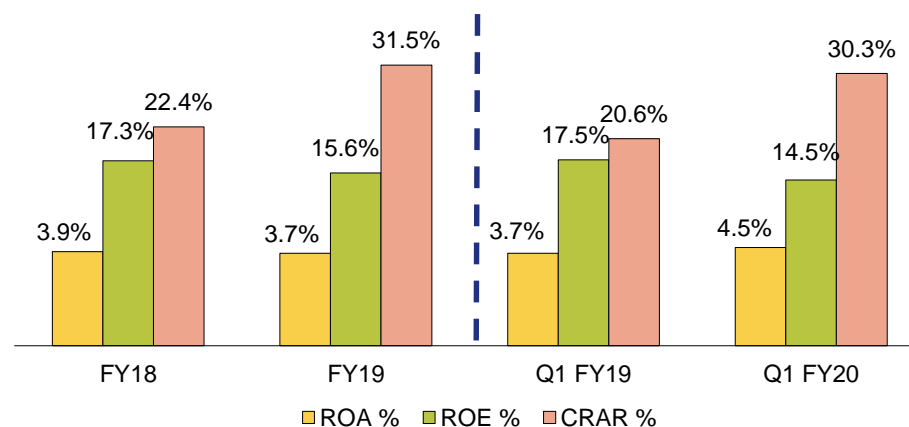
NIM Analysis (%)



Gross, Net NPA & SMA 2* (%)



Return Ratios^ & Capital Adequacy** (%)



* On lending book ^ROA and ROE annualized

ROE and ROA are based on weighted average on account of equity funds raised in JM Financial Credit Solutions Limited.

excludes IPO financing, NCD financing book calculated without impact of EIR, Interest accrued and ECL

** IPO book included in calculation of Capital Adequacy.

Stressed Assets in Wholesale Mortgages

Wholesale Mortgage NPA stood at 0.87% and SMA2 at 3.11% of loan book

Micro market Dynamics

Chennai

- Investment climate affected since 2016 and no major employment opportunities created.
- FSI hike announced in 2018. Accordingly, projects can be 30-40% larger on the same land parcel which has pushed home prices down, impacting project cycles thereby getting longer
- Projects that are substantially into the construction stage (and hence locked into the existing approvals) are at disadvantage with respect to early stage projects that can utilize the higher FSI

- NPA % of loan book: 0.82%
- SMA 2 % of loan book: 0.07%
- Security Cover: 2.5x to 2.7x

Mumbai

- HFCs slow on home loan disbursals thereby impacting sales and sales collection
- Delays in projects due to implementation of the new DP 2034
- Due to current lack of investors in early life cycle of a project, additional development financing has become critical for these residential projects

- NPA % of loan book: 0.05%
- SMA 2 % of loan book: 1.41%
- Security Cover: ~1.7x to 3.3x

Risk Mitigation / Resolution Plan

- Healthy security cover to minimize loss given default. Security primarily includes residential property
- Legal action initiated
- Sale of non-core assets to generate liquidity

- Working along with borrowers for sale of property / Joint Development Agreements with stronger peers / sale of unsold inventory
- Most of the underlying projects are either ready property or under construction which can be monetized in a time bound manner / potential for partnerships/JDA

Stressed Assets in Wholesale Mortgages (cont'd)

Micro market Dynamics

Bangalore

Sales in Bengaluru continue to be strong and the profile of developers is relatively stronger.

The SMA2 pertains to transactions where there were approval delays and hence monetization of the assets took longer. However, given that now those are received we should be able to resolve the delays in payments.

- NPA % of loan book: Nil
- SMA 2 % of loan book: 1.12%
- Security Cover: ~1.8x to 2.0x

Risk Mitigation / Resolution Plan

- Strong development partner with potential to take over other partner's share as well

Pune

The loan is against ready commercial assets – which are in the process of being sold. The delay in closure of a sale transaction led to the delay. We are expected to receive the consideration shortly which will resolve the entire overdue situation.

- NPA % of loan book: Nil
- SMA 2 % of loan book: 0.32%
- Security Cover: ~1.8x

- Actively involved in monetising the ready inventory

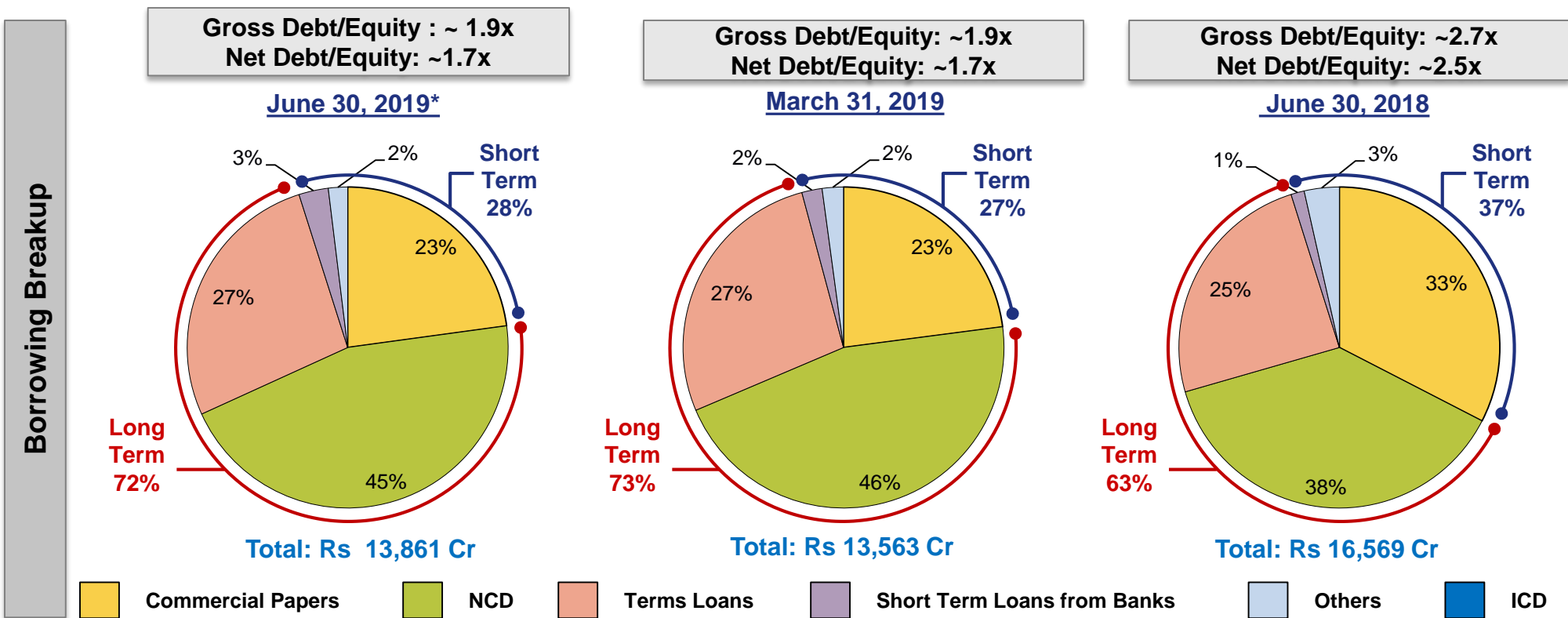
Kolkata

The SMA2 pertains to one transaction where there were delays in approvals and hence there were delays in cash flows of the project.

- NPA % of loan book: Nil
- SMA 2 % of loan book: 0.19%
- Security Cover: ~3.3x

- Process of entering into a Joint Development Agreement on the project with much stronger partner

Borrowing Profile



Strong Credit Rating:

- Long term debt rating:
 - CRISIL AA STABLE
 - ICRA AA STABLE
 - CARE AA STABLE
 - India Ratings AA STABLE
- Short term debt rating:
 - CRISIL A1+
 - ICRA A1+
 - CARE A1+

*Borrowings excludes borrowing for NCDs / IPO Financing

Borrowings on gross basis i.e. excluding interest accrued and before adjustment of premium on NCD and EIR

Segment-wise Commercial Paper Borrowing and Repayment Capabilities¹

Rs. in crore

Particulars (as on 30 th June, 2019)	Amount Rs Crore	% of CP borrowing	Assets backing
IWS			
Capital Market Financing	377	11.6%	High quality liquid assets
Trading & Broking	400	12.3%	Fixed deposits and highly liquid assets
Corporate Financing	740	18.2%	Short term contractual maturities
Promoter Financing	150	4.6%	Highly liquid assets
Wholesale Mortgage	305	9.4%	Short term contractual maturities
Total IWS	1,822	56.2%	
Mortgage Lending			
Wholesale Mortgage	965	29.8%	Short term contractual maturities
Retail Mortgage	-	-	
Total Mortgage Lending	965	29.8%	
Distressed Credit	455	14.0%	Expected short term resolutions and recoveries
Asset Management	-	-	No leverage
Total (A)	3,242	100.0%	
Less: Cash & Cash equivalents (B)	(2,757)		Including Unutilised Credit Lines of ~Rs. 764 Cr
Net Total C = (A-B)	485		
Short term maturity of assets (D)	5,194		Post haircut on maturities
CP coverage ratio (D/C)	10.71x		

CP borrowings stood at 23% in June 2019, which is against short term assets

Note:

1. Assuming no fresh borrowings to repay the CP
Total borrowing as of June 30, 2019 of ~Rs13,861 crore
The above considers all outstanding CP maturities and at gross value
The above excludes IPO financing.

Table of Contents

Group Performance

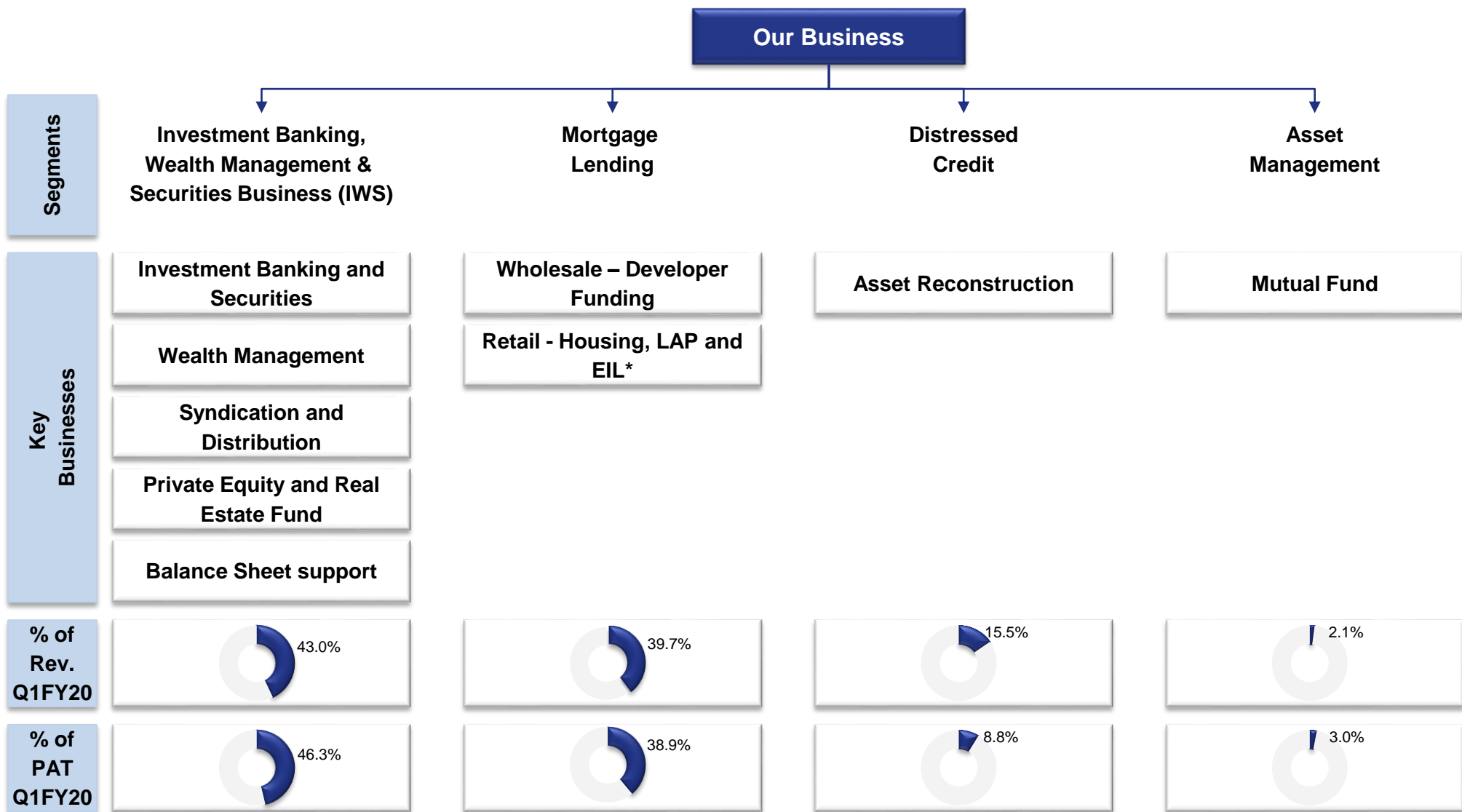
Business Performance

Group Structure and Shareholding Pattern

Group Overview

Annexures

Our Business



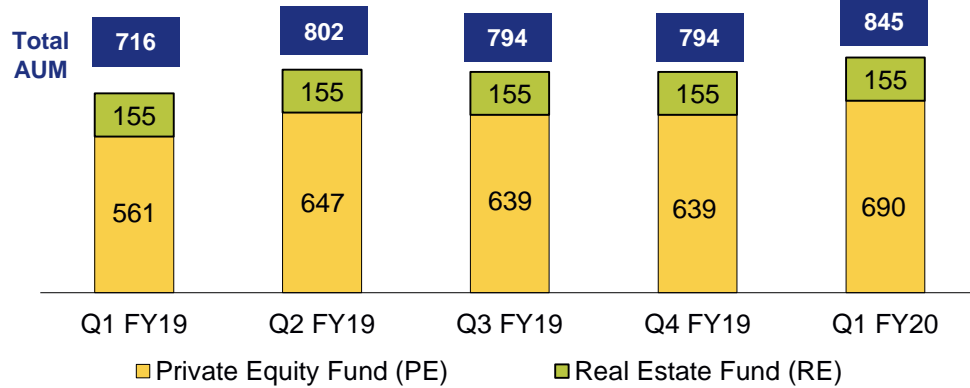
Segment Performance

Segment revenue (Rs Cr)	Ind AS				
	Q1 FY20	Q4 FY19	QoQ	Q1 FY19	YoY
IWS	368	357	3.2%	424	-13.2%
Mortgage Lending	340	331	2.8%	292	16.4%
Distressed Credit	133	91	46.1%	103	28.5%
Asset Management	18	19	-6.4%	26	-31.3%
Others	15	12	22.8%	20	-24.2%
Total Segment Revenue	874	810	7.9%	865	1.0%
Less: Inter - segmental revenue	(17)	(18)	-3.5%	(13)	33.9%
Total Revenue	857	792	8.1%	852	0.5%

Segment PAT (Rs Cr)	Q1 FY20	Q4 FY19	QoQ	Q1 FY19	YoY
IWS	59	47	26.1%	77	-22.8%
Mortgage Lending	49	58	-14.1%	40	24.1%
Distressed Credit	11	16	-29.6%	13	-14.9%
Asset Management	4	4	-14.2%	7	-47.2%
Others	4	4	-2.5%	6	-37.4%
Total	127	129	-1.0%	143	-10.8%

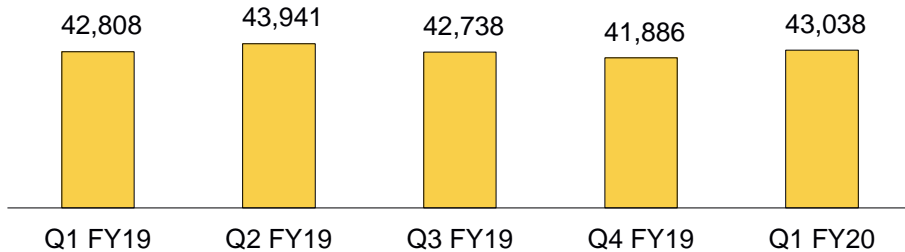
IWS – Key Non Financial Information

PE and RE AUM (Rs Cr)



New PE Fund commitment of Rs. 397 Cr is included in Q1FY20

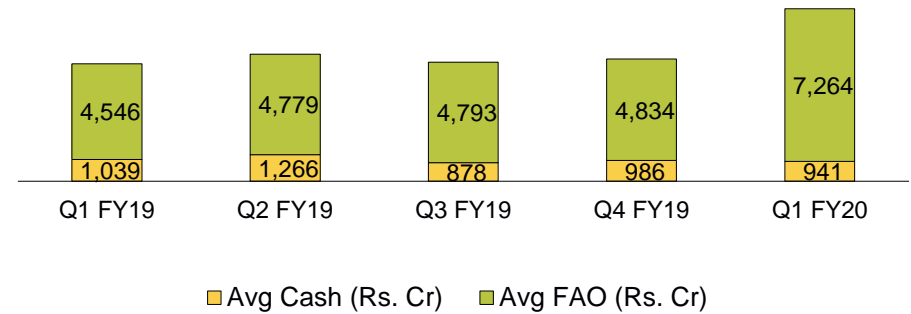
Wealth Management AUM (Rs Cr)



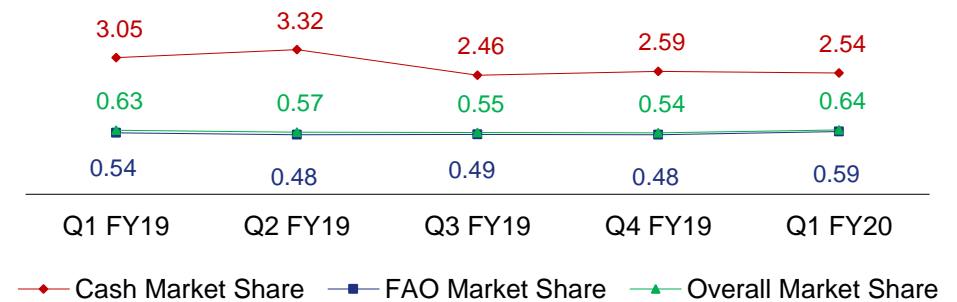
of wealth advisors as of Q1 FY20: 62

Securities Business (Rs Cr)

Average Daily Turnover (Rs Cr)



Equity Market Share on NSE (%)



IWS – Key Financial Information

Particulars (Rs Cr)	Q1 FY20	Q4 FY19	QoQ %	Q1 FY19	YoY %	FY19
Net worth + MI	2,595	2,533	2.4%	2,563	1.2%	2,533
Loan Book	5,320	5,627	-5.5%	7,788	-31.7%	5,627
Gross Revenue	368	357	3.2%	424	-13.2%	1,602
Finance cost	144	161	-10.3%	152	-5.2%	643
Net Loss / (Gain) on Fair value changes	(7)	(7)	8.2%	-	-	-
Impairment of Financial Instruments	5	(19)	N/M	3	50.6%	(5)
Employee cost	72	85	-15.3%	83	-12.7%	313
Depreciation	12	4	N/M	3	N/M	15
Other expenses	53	64	-17.3%	62	-14.8%	259
Inter segmental adjustment	(3)	-	-	-	-	-
PBT	93	69	34.4%	121	-23.1%	378
Tax	34	22	51.6%	44	-24.0%	137
PAT before Minority Interest	59	47	26.2%	77	-22.7%	241
Minority Interest	#	#	35.0%	#	-1.1%	1
PAT after Minority Interest	59	47	26.1%	77	-22.8%	240
ROE* (%)	9.2%	7.3%		12.0%		9.3%

Mortgage Lending

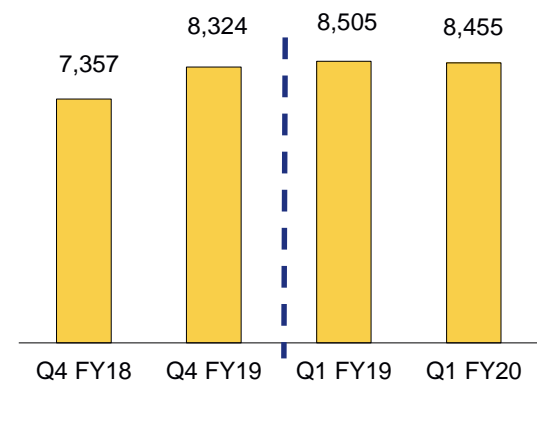
Wholesale

- Provides an integrated financial solution to real estate developers with major focus on real estate project financing
- 81 groups – significant focus on repeat business
- Most of the clients with over 25 years of experience in the industry
- Focus on Tier I markets – Mumbai, Thane, Pune, Bangalore, Chennai, Hyderabad, Kolkata and NCR
 - Geographical split of loan book : 42.1% in Mumbai, 20.5% Bengaluru, 10.3% Chennai , 8.3% Pune ,9.9% NCR and 8.9% others
- 86.9% of the book is cashflow backed lending
- 68.6% of the book is against residential projects

Retail

- Home loans business loan book at Rs.259 crore
- Expanded branch presence to 22 locations
- Maintained good credit quality, zero NPA
- Employee strength increased to 238

Loan Book (Rs Cr)



Particulars (Rs Cr)	Q1 FY20	Q4 FY19	QoQ %	Q1 FY19	YoY %	FY19
Net worth + MI	3,128	3,021	3.5%	1,785	75.2%	3,021
Revenue	340	331	2.8%	292	16.4%	1,291
Finance cost	143	137	4.7%	140	2.1%	582
Net Loss / (Gain) on Fair value changes	(9)	(4)	N/M	-	-	-
Impairment of Financial Instruments	16	(10)	N/M	9	76.2%	17
Employee cost	14	11	36.8%	10	51.9%	39
Depreciation	1	0	N/M	0	N/M	1
Operating expenses	8	7	16.3%	8	7.3%	31
PBT	166	190	-12.5%	126	32.3%	620
PAT before Minority Interest	107	123	-13.0%	81	31.6%	400
Minority Interest	58	65	-12.2%	41	38.9%	210
PAT after Minority Interest	49	58	-14.1%	40	24.1%	190
ROA* (%)	4.9%	5.5%		4.1%		4.6%
ROE* (%)	13.9%	16.7%		18.8%		17.2%

Distressed Credit – Asset Reconstruction

Business Overview



Long Term Credit Rating of AA- and Short Term Credit Rating of A1+ by ICRA & CARE. Comfortable gearing of 2.07x* as on June 30, 2019



This business has multiple income streams like Management Fees, Interest income and Upside / Yield



Current AUM of ~Rs 14,191 Cr as on June 30, 2019 comprising Corporate Accounts and Corporate/SME/ Retail Portfolios



Business related activities such as Financial & Legal due diligence for acquisitions, resolutions etc. are conducted by only in-house resources. We also use the services of Industry specific experts/consultants/firms



Focus on restructuring and revival of Corporate accounts.

Long Term Positive Drivers



- Rollout of Corporate Insolvency Resolution Process (CIRP) under Insolvency & Bankruptcy Code 2016 (IBC) has brought out a sea change in the resolution of distressed asset space in India. Fear of losing Companies under IBC is forcing promoters to come forward for amicable solutions.

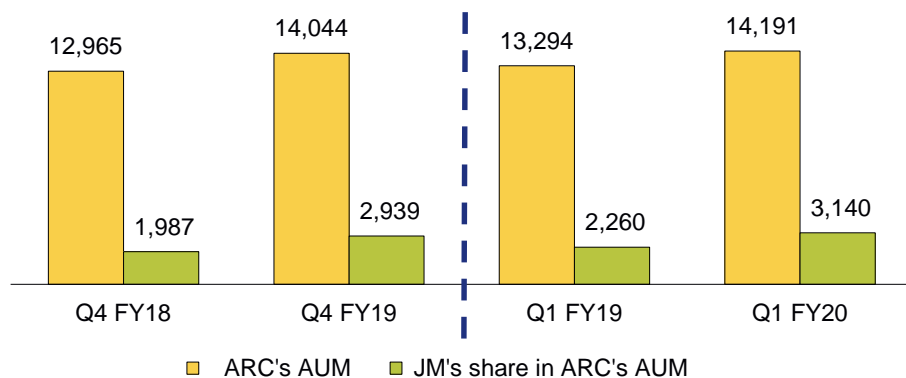


- There is an increasing urgency being shown by Government and Regulators to clean up the books of Banks. In almost all policy initiatives ARC's are recognised as important stakeholders for this purpose.
- Banks in the past have been keen to sell large NPAs to ARC's on cash basis to expedite their Recovery Plans
- JMFARC is actively evaluating opportunities arising out of companies undergoing CIRP under IBC-NCLT. The code also allows ARC's to submit a resolution plan acting as a stronger tool for ARC's to deal with NPA situation.
- A number of Funds/Foreign Investors are keen to co-invest and collaborate with JMFARC which would facilitate participating in larger deals and appropriate risk sharing. We have also closed few deals with investors for our existing portfolio.

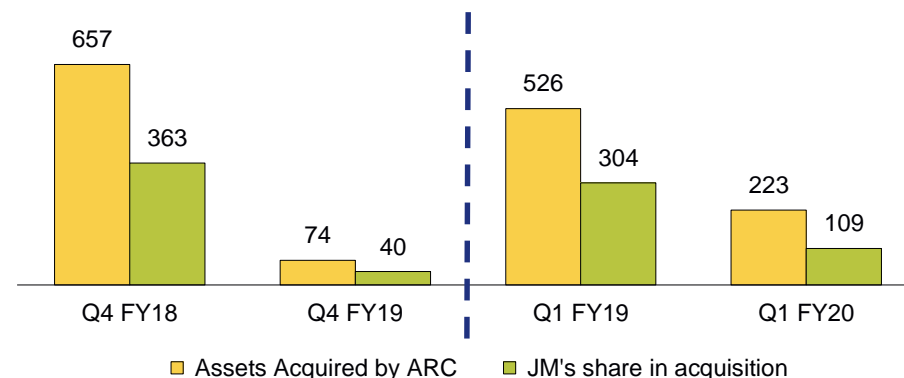
* On a consolidated basis

Distressed Credit – Asset Reconstruction (cont'd)

AUM (Rs Cr)



Asset Acquisitions (Rs Cr)

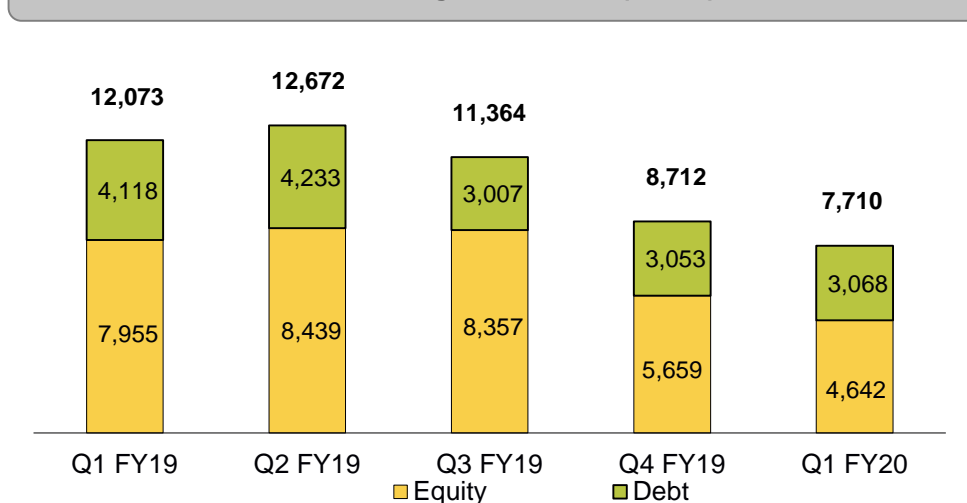


Particulars (Rs Cr)	Q1 FY20	Q4 FY19	QoQ	Q1 FY19	YoY %	FY19
Net worth + MI of Company	1,284	1,265	1.5%	1,128	13.8%	1,265
Gross Revenue	133	91	46.1%	103	28.5%	501
Net loss on fair value changes	19	35	-47.0%	-	-	-
Impairment of financial instruments	3	15	-77.1%	8	-54.6%	22
Other Operating expenses(net)	13	#	N/M	15	-12.7%	61
Finance Cost	67	69	-3.0%	35	92.6%	216
PBT	30	-29	N/M	46	-34.8%	201
PAT before MI	18	-5	N/M	23	-19.0%	131
Minority Interest (SR holders)	#	-33	N/M	#	-66.7%	-34
PAT after MI of Company	18	28	-33.4%	23	-19.1%	166
Minority Interest	7	12	-38.4%	10	-24.7%	71
PAT after Minority Interest	11	16	-29.5%	13	-14.8%	95
ROE *(%)	5.7%	8.8%		8.1%		14.0%

* ROE is annualised

Asset Management – Mutual Fund

Asset Management AUM (Rs Cr)



Mutual Fund:

- Quarterly Average AUM (QAAUM) – Rs 7,710 cr.
- Rank (QAAUM) – 23 among 41 Mutual Funds.
- Market Share – 0.30 %.
- 15 Schemes categorized as Long Term Debt, Short Term Debt, Balance, Equity Arbitrage and Equity.
- Investor reach – 1,25,597 base, 13 branches & 81 service centres.

Particulars (Rs Cr)	Q1 FY20	Q4 FY19	QoQ	Q1 FY19	YoY %	FY19
Net worth + MI	221	215	2.8%	208	6.1%	215
Revenue	18	19	-6.4%	26	-31.3%	95
Employee Cost	7	7	1.2%	6	11.3%	26
Other Expenses	3	2	20.9%	3	-7.8%	10
PBT	8	10	-16.0%	17	-50.6%	57
PAT	6	7	-19.3%	12	-51.1%	41
Minority Interest	-2	-3	-19.3%	-5	-51.1%	17
Share of Profit from Associates	#	#	N/M	0	N/M	1
PAT after Minority Interest	4	4	-14.2%	7	-47.2%	25
ROE (%)*	11.4%	14.1%		23.7%		20.4%

* ROE is annualised

denotes amount less than 1 crore.

Table of Contents

Group Performance

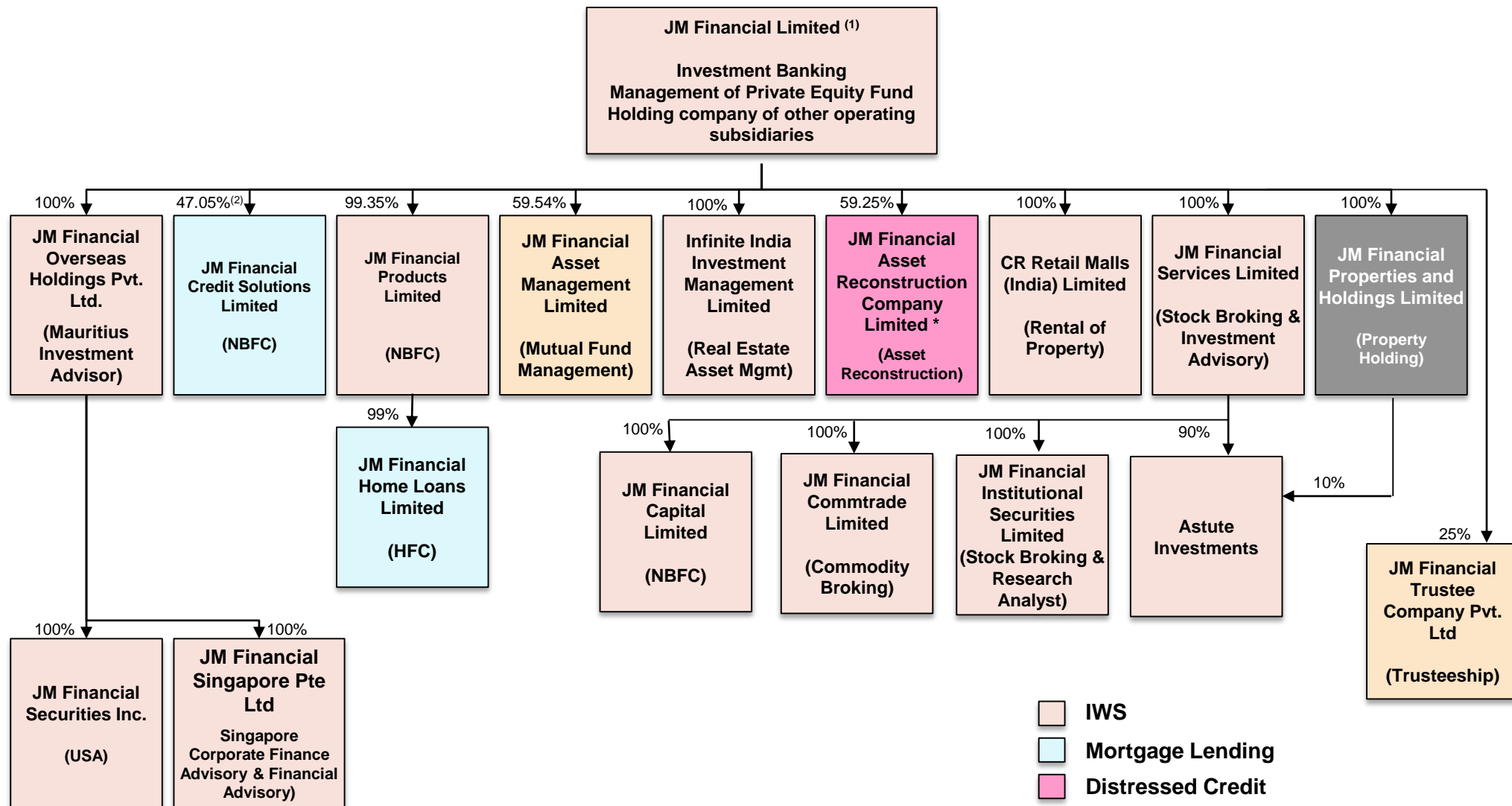
Business Performance

Group Structure and Shareholding Pattern

Group Overview

Annexures

Organisational Structure – June 2019



* Includes Trusts where there is a controlling interest

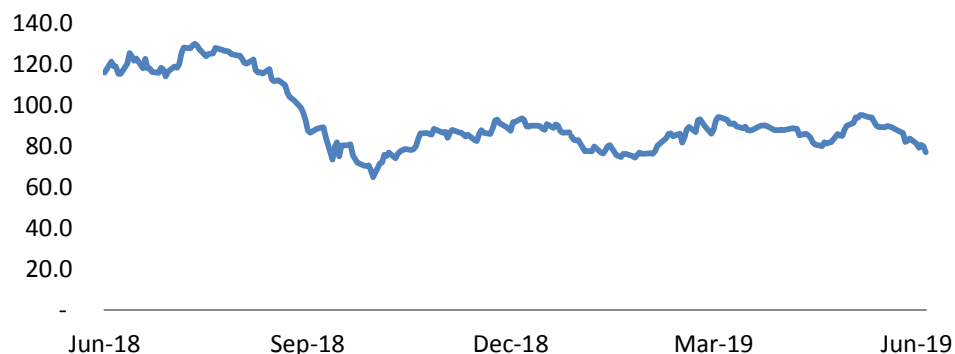
1. Largely IWS and balance others

2. JM Financial Limited controlled entity with effective ownership of 47.05%

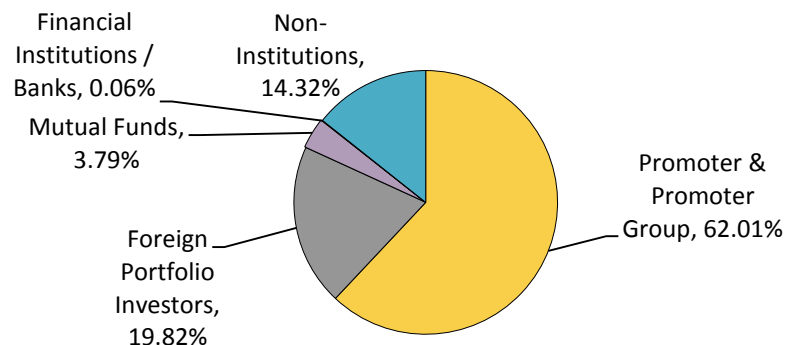
3. The percentage shareholding as mentioned in the organisational structure is calculated on the basis of the face value of shares

Shareholding Summary

Share Price Information



% Shareholding – June 30, 2019



Market Information (BSE)

As on 30.06.2019

Market Capitalization (Rs Cr)	6,466.28
Price (Rs)	76.80
No. of Shares Outstanding (Cr)	84.09
52 Week High-Low (Rs)	135.15 - 64.25

Key Institutional Investors – As on June 30, 2019

% Holding

Valiant Mauritius Partners Offshore Limited	2.62
Baron Emerging Markets Fund	2.48
SAIF India VI FII Holdings Limited	1.80
TIMF Holdings	1.70
Valiant Mauritius Partners Limited	1.49
The Wellington Trust Company National Association	1.23
Fidelity Investment Trust	1.18

Table of Contents

Group Performance

Business Performance

Group Structure and Shareholding Pattern

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Performance of Select Subsidiaries – IND AS

In Rs Cr

JM Financial Credit Solutions Ltd

	Q1 FY 20	Q1 FY19
Revenue	340	291
Net Profit	109	83
Net worth	3,018	1,756
Loan book	8,196	8,475
Net Interest Margin	7.8%	7.0%
Total Assets	8,582	8,494
ROE (Annualised)	14.7%	19.3%
ROA (Annualised)	5.1%	4.2%
Debt / Equity Ratio	1.8	3.8
CAR	35.4%	20.1%
Credit Rating	AA/stable	AA/stable
Ownership*	47.05%	50.01%

JM Financial Products Ltd

	Q1 FY 20	Q1 FY19
Revenue	239	243
Net Profit	62	63
Net worth	1,622	1,535
Loan book [#]	5,503	6,994
Net Interest Margin	4.5%	4.6%
Total Assets [#]	7,210	7,550
ROE (Annualised)	15.6%	16.7%
ROA (Annualised) [#]	3.7%	3.4%
Debt / Equity Ratio [#]	3.3	3.7
CAR [#]	22.3%	19.8%
Credit Rating	AA/stable	AA/stable
Ownership	99.35%	99.35%

JM Financial Asset Reconstruction Company Ltd**

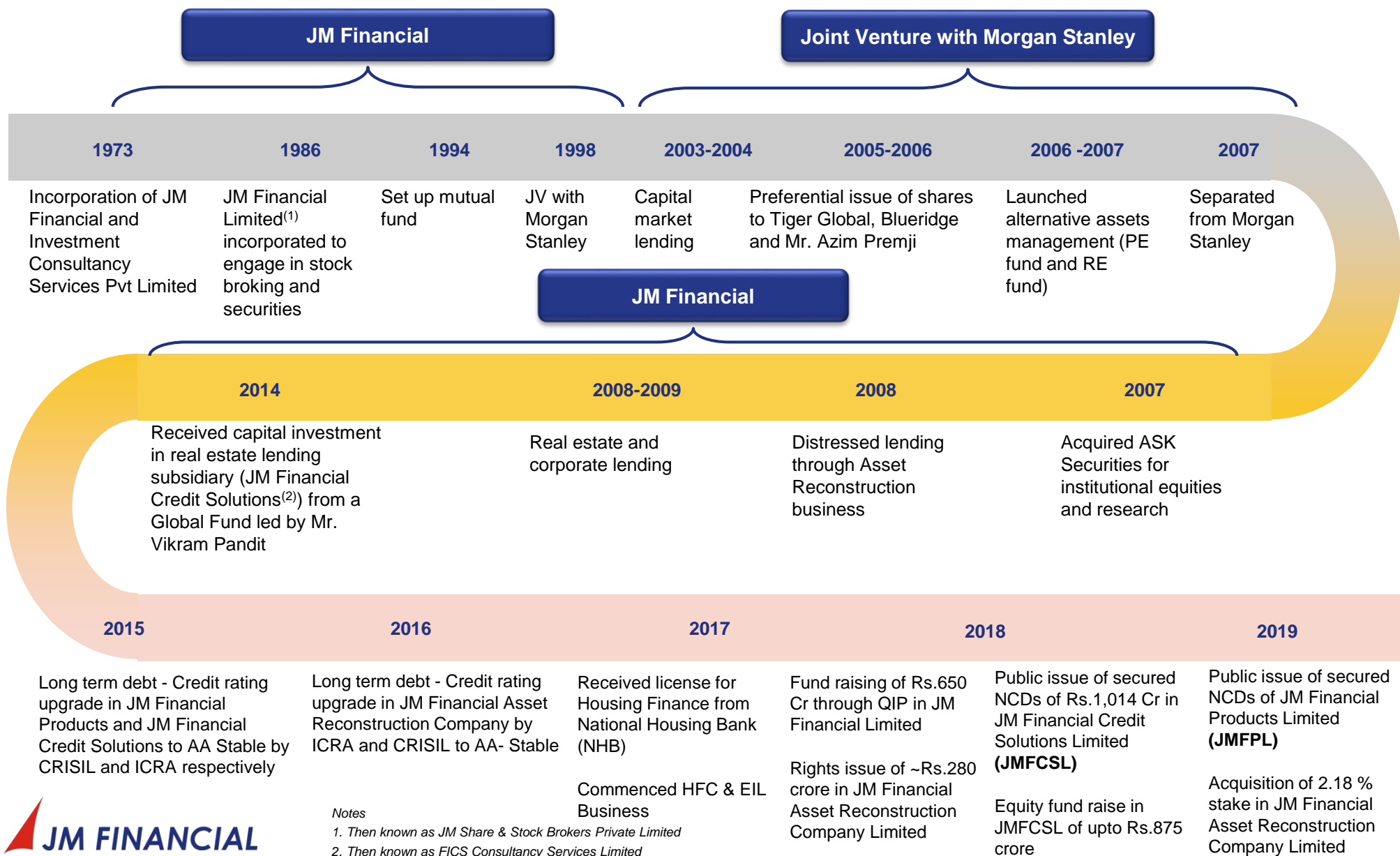
	Q1 FY20	Q1 FY19
Revenue	133	103
Net Profit	18	23
Net worth + MI	1,284	1,128
AUM	14,191	13,294
Total assets	4,507	3,505
ROE (Annualised)	5.7%	8.1%
ROA (Annualised)	1.6%	2.7%
Debt / Equity Ratio	2.07	1.86
CAR	29.37%	38.86%
Credit Rating	AA-/stable	AA-/stable
Ownership	59.25%	57.07%

*JM Financial Limited controlled entity with effective ownership of 47.05%

**Figures mentioned above are based on Consolidated financials

Above numbers are including IPO financing book of Rs. 608 Cr. Debt / Equity Ratio (ex IPO Financing) is 2.9

Journey of JM Financial Group



Notes

1. Then known as JM Share & Stock Brokers Private Limited
2. Then known as FICS Consultancy Services Limited

Corporate Governance – Strong Board of Directors



Mr. Nimesh Kampani, Chairman

B. Com, FCA

- Founder and Chairman of JM Financial Group, one of India's leading financial services groups.
- Made pioneering contributions to the Indian capital markets
- Served as a member on several important committees like MoF, GoI, RBI, SEBI, BSE, NSE, CII, FICCI and ICAI
- Serves as an Independent Director on the Board of several leading Indian companies.



Mr. Vishal Kampani, Managing Director

M.com, M. S. (Finance) from London Business School

- Managing Director of JM Financial Ltd., the group's flagship listed company.
- Launched the Asset Reconstruction business in 2008 and the Real Estate Finance business in 2009.
- Expanded the International Operations and built a global profile
- Joined the JM Financial group in 1997 as an analyst in the Merchant Banking Division and has since moved up the rank



Mr. E. A. Kshirsagar, Independent Director

B.Sc, FCA (England & Wales)

- Specialist in corporate strategy and structure, disinvestments-central/state/private sector, feasibility studies for a variety of industries and the impact of legislations on business;
- Serves on the Board of several reputed public limited companies.
- BSC (Science), FCA (England & Wales).



Dr. Vijay Kelkar, Independent Director

B.Sc, M.S. from University of Minnesota, USA, Ph.D from University of California, Berkely, USA

- Former Finance Secretary to the Government of India. He has also held several senior level positions in Govt. of India as well as international organisations including International Monetary Fund.
- Awarded with Padma Vibhushan, the second highest civilian award
- Serves on the Board of several reputed public limited companies.



Mr. Darius E. Udawadia, Independent Director

B.A., M.A., LLB,

- Founder partner, M/s. Udawadia & Udeshi, Solicitors & Advocates
- Serves on the Board of several reputed public limited companies.
- Vast experience and expertise in the areas like corporate law, mergers, acquisitions and takeovers, corporate restructuring, foreign collaboration, joint ventures, project and infrastructure finance, telecommunication, international loan and finance related transactions and instruments, real estate and conveyancing



Mr. Keki Dadiseth, Independent Director

FCA (England & Wales)

- Worked with HUL for 27 years.
- Member of advisory board of various groups.
- Associated with various industry, educational, management and medical bodies.
- Serves on the Board of several reputed public limited companies.



Mr. Paul Zuckerman, Independent Director

M.A. in Economics, Ph.D in Agricultural Economics

- Has been associated with various international organisations, including World Bank and International Institute of Tropical Agriculture, Ibadan, Nigeria
- Was Chairman, SG Warburg & Co. and was closely associated with Indian companies in the early days of globalisation In India.



Ms. Jagi Mangat Panda, Independent Director

B.Sc (Biology & Chemistry), Management Development Programme, Indian Institute of Management, Ahmedabad

- Presently, Managing Director of Ortel Communications Limited & Odisha Television Limited.
- Has more than 19 years of experience in the media and broadcasting industry
- Recognized as the 'Young Global Leader' at the World Economic Forum in 2008.

Effective Risk Management Framework

1

Robust risk management architecture encompassing independent identification, measurement and management of risk across various businesses of the Group

2

Effective systems, processes and adequate review mechanism to actively monitor, manage and mitigate risks

3

Quarterly risk meetings of all businesses with Group Risk Committee

4

"Risk Events Update" briefly describing 'Risk Identification', 'Risk Classification', 'Risk Assessment & Impact' and 'Remedial Action/ Risk Mitigation' aspects of all the identified risks are placed periodically (every six monthly) before the Board of Directors

5

Independent Internal Audit firms appointed to review and report on the business processes and policies in all operating companies of the Group

6

Internal Financial Controls (IFC) framework (as per provisions of the Companies Act, 2013) is laid-down which briefly highlights the Risk Control Matrices (RCMs) across the Group with a focus on Entity Level Controls

Integrated Rural Transformation - Bihar

Project Bachpan

- Five pre-school learning centers across five villages of Sikandra block in Jamui district, providing daily learning and nutrition for pre-school children's holistic development
- Concepts of weather, fruits, vegetables and occupations introduced and taught to 101 existing and 19 newly admitted students (age 3 to 6 years)

Integrated Livestock Development Centers (ILDC)

- Our 21 ILDCs continue to service Chakai, Jhajha and Sikandra blocks of Jamui district
- *Livestock management services* provided include 6,273 de-ticking, 5,934 de-worming, 7,472 vaccinations, first aid to 2,175 cattle, 63 farmers extension education meetings and 29 cattle health camps
- *Livestock development services* provided include 1,650 Artificial Inseminations (AIs).
- A total of 351 calves took birth this quarter (194 females and 157 males) across Sahiwal, Jersey, Holstein Friesian, Red Sindhi and Murrah breeds.

Shri Vardhmaan Mahila Griha Udyog

- Small-scale women's kitchen production unit producing and vending *khakhra* (a flatbread, Indian snack made of whole-wheat) on a daily basis in Sikandra block of Jamui district
- Total sales in this quarter : 854.10 kg for a total sales worth of ₹ 1,34,406/-

Model Village Development Project

- A total of 374 farmers benefitted from 6,000kg Kharif season Foundation seeds across 15 villages
- Six nutrition gardens created and facilitated for year-round holistic nutrition through vegetables and fruits for six households
- Two water conservation structures (*dobhas*) completed, with a capacity of 12ft water storage, each
- Of 21 grade 10 students attending our Vardhmaan Gyaan Kendras for learning aid, 20 have passed this year's Matriculation exams

Integrated Rural Transformation – Maharashtra & Jharkhand

MAHARASHTRA	Integrated Village Development Project	<ul style="list-style-type: none">• Holistic rural intervention undertaken in seven villages of Mokhada block of Palghar district• During the quarter, under Zilla Parishad 50-50 subsidy scheme, 57 farmers benefitted from 57 bags of 25kg rice each (Coimbatore and Karjat – 3 varieties)• As an effort towards water conservation, 1,073 Continuous Contour Trenches (CCTs) have been dug across two villages• Wadi/Cluster farming development in progress with 33 farmers across two villages, covering 33 acres.
JHARKHAND	Project First Referral Unit (FRU)	<ul style="list-style-type: none">• The FRU at Dumri block of Giridih district provides enhanced services through a 64 member team of medical specialists, nurses and helper staff• During the quarter, the FRU served 1,088 gynaecological cases, 1,628 paediatric cases and 16 surgeries. Total deliveries conducted were 255, of which 58 were critical.
	Project Mobile Health Unit (MHU)	<ul style="list-style-type: none">• The MHU serves 24 villages of Dumri and Pirtand blocks of Giridih district• During the quarter, the MHU served by way of 3,368 OPDs and referred 152 of these cases to tertiary healthcare facilities. Counselling services provided to 1,388 community beneficiaries.

Integrated Rural Transformation – Glimpses



Bachpan Learning Center – Korasi



ILDC farmers education – Sijhori village



Model Village Project – Nutrition Garden in Nawadih village



Farmer beneficiaries digging Continuous Trenches (CCT) in Mokhada, Palghar



Critical baby suffering from abdomen distension - FRU



Daily Mobile Health Unit (MHU) OPDs

Philanthropic Giving and Support

Education

- JMFF has partnered with an old & renowned Institute to provide education to students with intellectual disability, from age 3 to 18 years with functional academics and pre-vocational training

Health Initiatives

- JMFF has supported a Trust that runs an Eye Hospital in Shiroor, Udipi, Karnataka. This hospital provides free cataract surgeries, vision screening for school students and free consultations for the poor & needy people coming from surrounding villages

Promoting Music & Culture

- JMFF has supported a Trust that is dedicated to reviving India's rich heritage & culture by way of music programs

Photo Gallery



For Further Queries

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