

February 7, 2022

BSE Limited  
Department of Corporate Services  
1<sup>st</sup> 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: Press Release on the unaudited financial results**


In continuation of our letter of even date enclosing therewith the unaudited financial results of the Company for the third quarter and nine months ended December 31, 2021, we are enclosing a copy of the Press Release being issued by the Company.

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

Thank you.

Yours truly,  
For **JM Financial Limited**



 **Prashant Choksi**  
Group Head – Compliance, Legal  
& Company Secretary

Encl.: as above.

PRESS RELEASE  
For Immediate Release

**JM Financial's consolidated net profit increased by 19.94% YoY for Q3 FY22.**

**Mumbai, February 7, 2021:** The Board of Directors of JM Financial Limited, at its meeting held today, approved the unaudited financial results for the third quarter and nine months ended December 31, 2021.

**The Board of Directors have declared an interim dividend of Re. 0.50 per share of the face value of Re.1/- each.**

**Summary of Consolidated results FY 22 – Q3 compared to FY 21 – Q3**

(Rs. in Cr)

Particulars	Quarter ended December 31, 2021	Quarter ended December 31, 2020	% Increase / (Decrease)
Total income	964.48	890.99	8.25%
Profit before tax	348.74	330.76	5.44%
Net profit after tax and before non- controlling interest	260.91	251.00	3.95%
Net profit after tax, non-controlling interest and share of associate	216.80	180.76	19.94%

**Summary of Consolidated results FY 22 – 9M compared to FY 21 – 9M**

(Rs. in Cr)

Particulars	Nine months ended December 31, 2021	Nine months ended December 31, 2020	% Increase / (Decrease)
Total income	2,926.47	2,385.50	22.68%
Profit before tax	1,026.45	754.45	36.05%
Net profit after tax and before non- controlling interest	763.99	574.52	32.98%

Particulars	Nine months ended December 31, 2021	Nine months ended December 31, 2020	% Increase / (Decrease)
Net profit after tax, non-controlling interest and share of associate	594.37	413.43	43.77%

The earnings per share for the nine months ended December 31, 2021 is **Rs. 6.23**. The consolidated net worth\* as at December 31, 2021 stands at **Rs. 7,499 Cr** and the gross debt equity (equity of **Rs. 7,499 Cr** + non-controlling interest of **Rs. 2,770 Cr**) ratio is **1.05** times\* and net debt equity of **0.68** times\* (post reducing cash and cash equivalents of **Rs. 3,854 Cr**). The book value per share is **Rs. 78.60**.

Our consolidated loan book\*\* stood at **Rs. 11,240 Cr** as of December 31, 2021 compared to **Rs. 10,407 Cr** as of December 31, 2020. Gross NPA and Net NPA stood at **4.39%** and **2.76%** respectively as of December 31, 2021 compared to **1.79%** and **1.16%** respectively as of December 31, 2020 and **2.32%** and **1.38%** respectively as of September 30, 2021. The loan book under the Resolution Framework for Covid-19 announced by RBI stood at **0.91%** as of December 31, 2021 (**0.87%** as of September 30, 2021). Our Gross NPAs have increased by **Rs. 0.66 Cr** on account of the clarifications issued by the Reserve Bank of India on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated November 12, 2021.

We have made additional gross provisions of **Rs. 185 Cr#** on account of the uncertainties around Covid-19 for the nine months ended December 31, 2021, thereby taking the total provisions (net of reversals) to **Rs. 536 Cr#** on account of the pandemic. Overall provisions on the loan book stood at **7.0%** of the loan book as of December 31, 2021 as compared to **5.1%** as of December 31, 2020 and **6.4%** as of September 30, 2021.

\* Computed after reducing goodwill of Rs.52.44 Cr from shareholders' funds and excludes borrowings for episodic financing

\*\*Loan book does not include episodic financing book

# Unaudited and based on management estimates

**Commenting on the results and financial performance, Mr. Vishal Kampani, Non-executive Vice Chairman, JM Financial Limited, said,**

“We are pleased to achieve the highest ever quarterly operating consolidated net profit in Q3 FY22, despite having a strong Q1FY22 and Q3FY21. Our consolidated net profit for 9MFY22 at Rs. 594.4 Cr has already surpassed full year consolidated net profit for FY21 of Rs. 590.1 Cr.

We are actively looking to grow the loan book across our lending segments and are witnessing strong traction particularly in bespoke finance.

Our retail mortgage business is now achieving critical size and scale. We have already expanded to around 50 locations and increased disbursements to over Rs. 150 Cr per quarter. The pipeline of digital initiatives remains strong. We announced the launch of Bondskart, a unique digital platform for ease of investment in debt securities. We have made critical hires, launched new products and added new features to our existing digital products for a seamless customer experience.

We remain focused on serving our clients and in line with the recent budget announcements, we look forward to participate in a strong growth environment.”

## **Business Update**

### **➤ Investment Bank**

During the quarter, our completed investment banking transactions include:

- Book Running Lead Manager to the
  - Initial Public Offer of Equity Shares of FSN E-Commerce Ventures Limited (~Rs. 5,350 Cr), Aditya Birla Sun Life AMC Limited (~Rs. 2,768 Cr), Sapphire Foods India Limited (~Rs. 2,073 Cr), CMS Info Systems Limited (~Rs. 1,100 Cr), C.E Info Systems Limited (~Rs. 1,040 Cr), Go Fashion (India) Limited (~Rs. 1,014 Cr) and Tega Industries Limited (~Rs. 620 Cr)

- Pre-IPO Placement and Initial Public Offer of Equity Shares of Data Patterns (India) Limited (~Rs. 650 Cr)
- Qualified Institutions Placement of Equity Shares of Route Mobile Limited (~Rs. 867 Cr), Saregama India Limited (~Rs. 750 Cr), HFCL Limited (~Rs. 600 Cr) and Gokaldas Exports Limited (~Rs. 300 Cr)
- Lead Manager to the Rights Issue of Equity Shares of Bharti Airtel Limited (~Rs. 20,987 Cr)
- Advisor to the Private Placement in API Holdings Limited (~Rs. 2,600 Cr) and Car Dekho (~Rs. 1,500 Cr)
- Arranger for the Public Issue of NCDs by JM Financial Products Limited (~Rs. 500 Cr)
- Sole Broker to the Block trade of Equity Shares of Go Fashion (India) Limited (~Rs. 180 Cr) and Metropolis Healthcare Limited (~Rs. 135 Cr)
- Lead M&A Advisor to API Holdings and Docon Technologies, and Manager to the Open Offer to the shareholders of Thyrocare Technologies
- Exclusive Financial Advisor to Sundaram Asset Management Company for the purchase of the Indian asset management businesses of Principal Group, USA
- Transaction Advisor and Manager to the Open Offer to the public shareholders of Just Dial
- Financial and Transaction Advisor to IL&FS on sale of stake in TerraCIS Technologies
- Financial Advisor in connection with a scheme of arrangement involving Orient Refractories and certain group companies
- Fairness Opinion to the Board of Shriram City Union Finance Limited ("SCUF") for the Merger of SCUF with Shriram Transport Finance Company Limited

During the quarter, we acted as an arranger to the Private Placement of:

- NCDs of REC Limited (~Rs. 1,200 Cr and ~Rs. 2,000 Cr), Indian Railway Finance Corporation Limited (~Rs. 1,180 Cr), National Highway Authority

of India (~Rs. 1,180 Cr), Mangalore Refinery and Petrochemicals Limited (~Rs. 1,200 Cr), Mahindra & Mahindra Financial Services Limited in two tranches (~Rs. 375 Cr and Rs. 275 Cr) and Tata Capital Financial Services Limited (~ Rs. 500 Cr)

- BASEL III Additional Tier I Bonds of Canara Bank (two tranches of ~Rs. 1,500 Cr each), Bank of Baroda (~Rs. 1,997 Cr) and Union Bank of India (~Rs. 200 Cr)

During the quarter, the average daily trading volume of our institutional equities business stood at **Rs. 637 Cr**.

During the quarter, the Private Equity platform has completed the first closing of PE Fund III and is in the process of further fund raising. JM Financial India Fund II has completed eight investments and is closely evaluating additional investments.

#### ➤ **Mortgage Lending**

The total mortgage lending book (comprising of loan book of JM Financial Credit Solutions Limited and JM Financial Home Loans Limited) stood at **Rs. 7,376 Cr** as at December 31, 2021.

Our wholesale mortgage lending focuses on Tier - 1 cities, viz., Mumbai, Thane, Pune, Bangalore, Chennai, Hyderabad, Kolkata and NCR. Further details in respect of the wholesale mortgage lending are as under:

- SMA 2 numbers decreased from 5.09% as of September 2021 of the portfolio to 3.31% as of December 2021 of the portfolio. During this period, the loan book has increased from Rs. 6,595 Cr as of September 2021 to Rs. 6,741 Cr as of December 2021.
- Debt to equity stood at 1.19x and net debt to equity at 0.76x.

The last quarter has seen a rapid recovery across all geographies after the second Covid wave. The residential sales across all geographies and across

all ticket sizes have been robust. However, consumer confidence in the developer and project is of paramount importance.

We are also witnessing rapid consolidation in the sector whereby the amount of sales done by top developers as a percentage of overall sales is increasing gradually and significantly. Given the reduction of the inventory overhang across geographies and the rise in demand, developers are looking at acquiring new projects and we will witness increase in new launches.

All the above have been in line with our expectations and we feel that this end user driven sales is here to stay. We continue to cautiously evaluate opportunities across geographies and are looking at gradually increasing the lending book.

➤ **Alternative and Distressed Credit**

Higher focus on recoveries yielded results and recoveries during quarter were about ~**Rs. 204 Cr** and Security Receipts of ~**Rs. 142 Cr** were redeemed. The outstanding Security Receipts stood at **Rs. 10,710 Cr** as on December 31, 2021 as compared to **Rs. 10,687 Cr** as on September 30, 2021. The contribution of JM Financial Asset Reconstruction Company Limited towards the Security Receipts stood at **Rs. 3,176 Cr** as on December 31, 2021 as compared to **Rs. 3,140 Cr** as on September 30, 2021. Until December 31, 2021, we have acquired total outstanding dues of **Rs. 63,265 Cr** at a gross consideration of **Rs. 17,733 Cr**. Our acquisition strategy has primarily been towards full cash acquisitions and going forward too, the focus will be on similar lines. However, the future acquisition focus will be more on a co-investment model with financial investors and strategic partners to ensure growth and at the same time ensuring sustainable and moderate level of debt leverage. In the coming year, we shall also focus on acquiring retail portfolios of optimal sizes at right prices.

➤ **Asset Management, Wealth Management and Securities business (Platform AWS)**

The AUM\* of our wealth businesses stood at **Rs. 84,988 Cr** comprising of

- Private wealth management at **Rs. 64,683 Cr** (excluding custody assets) as on December 31, 2021 as compared to **Rs. 56,757 Cr** as on December 31, 2020 and **Rs. 63,760 Cr** as on September 30, 2021.
- Retail wealth management at **Rs. 19,424 Cr** as on December 31, 2021 as compared to **Rs. 15,731 Cr** as on December 31, 2020 and **Rs. 18,841 Cr** as on September 30, 2021.
- Elite wealth management at **Rs. 881 Cr** as on December 31, 2021 as compared to **Rs. 360 Cr** as on December 31, 2020 and **Rs. 793 Cr** as on September 30, 2021.

*\* Assets under Management (AUM) comprises distribution assets and advisory assets, as applicable*

The AUM of our PMS business stood at **Rs. 770 Cr** as on December 31, 2021 as compared to **Rs. 608 Cr** as on December 31, 2020 and **Rs. 811 Cr** as on September 30, 2021.

The average AUM of our Mutual Fund schemes during the quarter ended December 31, 2021 stood at **Rs. 2,020 Cr**; comprising of **Rs. 578 Cr** in equity schemes (including hybrid schemes) and **Rs. 1,442 Cr** in debt schemes (including liquid scheme). The average AUM of our Mutual Fund schemes during the quarter ended September 30, 2021 stood at **Rs. 2,089 Cr**; comprising of **Rs. 551 Cr** in equity schemes (including hybrid schemes) and **Rs. 1,538 Cr** in debt schemes (including liquid scheme).

During the quarter, the average daily trading volume of our retail broking business stood at **Rs. 17,548 Cr**.



## **Borrowing Profile**

We continued our focus on diversifying our sources and maturities for our borrowing profile. As on December 31, 2021 our long term borrowing as a proportion of total borrowing stood at **approximately 79%**. Borrowing through Commercial paper (CP) consisted **approximately 13%** of the total borrowing as on December 31, 2021. CPs were utilized primarily towards the financing of short-term liquid assets. We successfully raised **Rs. 500 Cr** through the public issue of Non-Convertible Debentures of JM Financial Products Limited.

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*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 and diversified financial services group. The Group's primary businesses include (i) **Investment Bank (IB)** shall cater to Institutional, Corporate, Government and Ultra High Networth clients and includes investment banking, institutional equities and research, private equity funds, fixed income, syndication and finance; (ii) **Mortgage Lending** includes both wholesale mortgage lending and retail mortgage lending (home loans, education institutions lending and LAP); (iii) **Alternative and Distressed Credit** includes the asset reconstruction business and alternative credit funds; and (iv) **Asset management, Wealth management and Securities business (Platform AWS)** shall provide an integrated investment platform to individual clients and includes wealth management business, broking, PMS and mutual fund business.

As of December 31, 2021, the consolidated loan book stood at **~Rs. 112.4 BN**, distressed credit business AUM at **~Rs. 107.1 BN**, wealth management AUM at **~Rs. 849.9 BN**, mutual fund AAUM at **~Rs. 20.2 BN**.

The Group is headquartered in Mumbai and has a presence across **624** locations spread across **186** 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](http://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.

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