



The Board of Directors  
**JM Financial Limited**  
Mumbai

**Limited Review Report of the Consolidated Financial Results of  
JM Financial Limited, its Subsidiaries, Associates and Partnership Firm**

**INTRODUCTION**

- 1 We have reviewed the accompanying statement of unaudited Consolidated Financial Results (CFR) of **JM Financial Limited** (the Company) and its Subsidiaries and Associates ('the Group') for quarter/nine months ended December 31, 2014, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us, which has been initiated by us for identification purpose. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. The CFR have been prepared on the basis of separate financial statements and other financial information regarding components. Our responsibility is to issue a report on these un-audited CFR based on our review

**SCOPE OF REVIEW**

- 2 We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 – 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India (ICAI). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit; accordingly we do not express an audit opinion
- 3 The CFR of the Group have been prepared by the management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements notified by the Companies (Accounting Standards) Rules, 2006
- 4 Inter unit/company transactions have been eliminated based on information provided by the management
- 5 Included in this CFR, are revenues of Rs. 96,644.23 lacs for the nine months ended December 31, 2014, capital employed of Rs. 2,63,120.97 lacs and assets of Rs. 7,33,829.90 lacs as on the said date of 8 subsidiaries, which have not been reviewed by us. Other auditors have reviewed these, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these entities, is based solely on reports of those respective auditors
- 6 Included in this CFR are revenues of Rs 2,346.10 lacs for the nine months ended December 31, 2014, capital employed of Rs. 11,719.01 lacs and assets of Rs. 36,541.00 lacs as on the said date of 6 subsidiaries and 1 partnership firm and Rs. 71.54 lacs being profit of associate for the nine months ended December 31, 2014, which are based on Management Certified Results and which are subject to consequential adjustments, if any, arising out of reviews by respective auditors

**CONCLUSION**

- 7 Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with Accounting Standards referred to in Section 133 of the Companies Act, 2013, and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement

Rg

Place: Mumbai  
Date: January 28, 2015

For Khimji Kunverji & Co  
Chartered Accountants  
FRN : 105146W

**Hasmukh B Dedhia**  
Partner (F - 33494)

**Limited Review Report**

The Board of Directors  
**JM FINANCIAL LIMITED**  
Mumbai

**INTRODUCTION**

We have reviewed the accompanying statement of un-audited financial results of **JM FINANCIAL LIMITED** ('the Company') for the quarter/ nine months ended December 31, 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us, which has been initialed by us for identification purpose. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these un-audited financial results based on our review

**SCOPE OF REVIEW**

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India (ICAI). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion

**CONCLUSION**

Based on our review conducted as above, nothing has come to our notice that causes us to believe the accompanying statement of un-audited financial results prepared in accordance with Section 133 of the Companies Act, 2013, and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement

RG

Place: Mumbai,  
Date: January 28, 2015

For **Khimji Kunverji & Co**  
Chartered Accountants  
Firm Registration Number : 105146W

**Hasmukh B Dedhia**  
Partner (F - 33494)



**JM FINANCIAL LIMITED**  
CONSOLIDATED FINANCIAL RESULTS

**PART I - STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2014**

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Rupees in Lakh							
1	<b>Income from operations</b>						
	(a) Fees & commission	6,907.66	10,142.86	4,379.15	23,837.06	17,443.00	24,631.56
	(b) Brokerage	3,343.52	3,632.58	2,129.78	10,375.01	6,733.69	9,415.76
	(c) Interest and other income on fund based activities	20,396.14	17,887.24	11,907.58	51,167.41	36,978.29	48,847.17
	(d) Other operating income	5,937.50	5,649.20	3,715.90	14,675.80	13,644.18	17,327.75
	<b>Total income from operations</b>	<b>36,584.82</b>	<b>37,311.88</b>	<b>22,132.41</b>	<b>1,00,055.28</b>	<b>74,799.16</b>	<b>1,00,222.24</b>
2	<b>Expenses</b>						
	(a) Employee benefits expense	5,835.67	7,521.84	4,216.15	18,390.70	14,818.31	20,315.55
	(b) Sub-brokerage, fees & commission	2,261.00	2,390.37	1,891.56	7,177.02	5,781.19	8,033.32
	(c) Operating and other expenses	2,814.37	2,596.24	2,800.86	7,466.60	8,363.92	11,995.09
	(d) Depreciation and amortisation expense	499.30	459.42	415.54	1,373.24	1,114.96	1,524.02
	<b>Total expenses</b>	<b>11,410.34</b>	<b>12,967.87</b>	<b>9,324.11</b>	<b>34,407.56</b>	<b>30,078.38</b>	<b>41,867.98</b>
3	<b>Profit from operations before other income and finance costs (1-2)</b>	<b>25,174.48</b>	<b>24,344.01</b>	<b>12,808.30</b>	<b>65,647.72</b>	<b>44,720.78</b>	<b>58,354.26</b>
4	Other income	70.98	410.92	60.74	962.82	351.91	444.67
5	<b>Profit from ordinary activities before finance costs (3+4)</b>	<b>25,245.46</b>	<b>24,754.93</b>	<b>12,869.04</b>	<b>66,610.54</b>	<b>45,072.69</b>	<b>58,798.93</b>
6	Finance costs	11,512.74	11,021.30	6,703.79	30,764.75	24,172.70	30,782.86
7	<b>Profit from ordinary activities before tax (5-6)</b>	<b>13,732.72</b>	<b>13,733.63</b>	<b>6,165.25</b>	<b>35,845.79</b>	<b>20,899.99</b>	<b>28,016.07</b>
8	Tax expense	3,902.93	3,962.83	1,838.28	10,500.09	6,078.94	7,998.35
9	<b>Net Profit from ordinary activities after tax (7-8)</b>	<b>9,829.79</b>	<b>9,770.80</b>	<b>4,326.97</b>	<b>25,345.70</b>	<b>14,821.05</b>	<b>20,017.72</b>
10	Extraordinary items	-	-	-	-	-	-
11	<b>Net Profit after tax (9+10)</b>	<b>9,829.79</b>	<b>9,770.80</b>	<b>4,326.97</b>	<b>25,345.70</b>	<b>14,821.05</b>	<b>20,017.72</b>
12	Less :- Share of Minority interest	1,558.53	788.65	325.50	2,767.70	1,021.95	1,515.45
13	Add :- Share in Profit of Associates	431.30	237.34	414.36	1,178.85	1,210.67	2,450.23
14	<b>Net consolidated profit (11-12+13)</b>	<b>8,702.56</b>	<b>9,219.49</b>	<b>4,415.83</b>	<b>23,756.85</b>	<b>15,009.77</b>	<b>20,952.50</b>
15	Paid up equity share capital (Face value Re. 1/- per share)	7,833.24	7,593.49	7,551.87	7,833.24	7,551.87	7,553.43
16	Reserves excluding revaluation reserves						2,00,525.18
17	<b>Earning Per Share (EPS)</b>						
	Basic EPS (in Rs.) (Not annualised)	1.14	1.22	0.59	3.10	1.99	2.78
	Diluted EPS (in Rs.) (Not annualised)	1.12	1.19	0.57	3.06	1.95	2.72

**PART II - SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2014**

<b>A PARTICULARS OF SHAREHOLDING</b>							
1	Public shareholding						
	No. of shares	26,55,34,726	24,15,59,743	23,73,97,757	26,55,34,726	23,73,97,757	23,75,54,232
	Percentage of holding (%)	33.90%	31.81%	31.44%	33.90%	31.44%	31.45%
	(as a % of total share capital of the Company)						
2	Promoters and promoter group shareholding						
	(a) Pledged / Encumbered						
	No. of shares	Nil	Nil	Nil	Nil	Nil	Nil
	Percentage of shares (%)	-	-	-	-	-	-
	(b) Non-encumbered						
	No. of shares	51,77,89,265	51,77,89,265	51,77,89,265	51,77,89,265	51,77,89,265	51,77,89,265
	Percentage of shares (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	(as a % of total shareholding of promoter and promoter group)						
	Percentage of holding (%)*	66.10%	68.19%	68.56%	66.10%	68.56%	68.55%
	(as a % of total share capital of the Company)						
<b>B INVESTOR COMPLAINTS</b>		<b>Quarter Ended 31st December, 2014</b>					
	Pending at the beginning of the quarter	0					
	Received during the quarter	5					
	Disposed off during the quarter	5					
	Remaining unresolved at the end of the quarter	0					

\* Dilution in promoter shareholding is on account of exercise of ESOPs by employees and exercise of warrants by warrant holders (Refer note 4 & 5)

**JM Financial Limited**

Corporate Identity Number : L67120MH1986PLC038784

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SEGMENTWISE DETAILS ON CONSOLIDATED BASIS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2014

Rupees in Lakh

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Segment Revenue</b>						
A Investment banking and securities business	13,215.32	15,054.34	7,150.49	39,098.88	29,925.78	40,789.06
B Fund based activities	21,466.87	20,364.00	12,607.06	56,079.36	40,027.21	52,919.35
C Alternative asset management	541.47	957.25	997.17	1,952.38	2,034.11	3,040.93
D Asset management	1,584.44	1,069.58	682.93	3,356.71	1,937.89	2,655.49
E Others	1,469.60	9,065.35	1,562.34	12,076.53	10,119.40	11,687.89
<b>Total Segment Revenue</b>	<b>38,277.70</b>	<b>46,510.52</b>	<b>22,999.99</b>	<b>1,12,563.86</b>	<b>84,044.39</b>	<b>1,11,092.72</b>
Less: Inter - segmental revenue	(1,621.90)	(8,787.72)	(806.84)	(11,545.76)	(8,893.32)	(10,425.81)
<b>Total Revenue</b>	<b>36,655.80</b>	<b>37,722.80</b>	<b>22,193.15</b>	<b>1,01,018.10</b>	<b>75,151.07</b>	<b>1,00,666.91</b>
<b>Segment Results</b>						
A Investment banking and securities business	3,355.17	4,520.84	(294.52)	10,048.38	3,721.10	4,516.47
B Fund based activities	8,832.95	7,639.28	5,001.53	21,646.85	14,921.39	19,950.53
C Alternative asset management	317.42	688.89	656.70	1,239.63	1,226.25	1,876.34
D Asset management	1,083.10	513.95	88.49	1,731.12	193.09	382.65
E Others	144.08	370.67	713.05	1,179.81	838.16	1,290.08
<b>Total Results</b>	<b>13,732.72</b>	<b>13,733.63</b>	<b>6,165.25</b>	<b>35,845.79</b>	<b>20,899.99</b>	<b>28,016.07</b>
<b>Segment Capital Employed</b>						
A Investment banking and securities business	60,552.29	57,222.89	55,316.73	60,552.29	55,316.73	56,101.63
B Fund based activities	2,02,585.15	1,17,379.90	99,696.54	2,02,585.15	99,696.54	1,06,297.86
C Alternative asset management	7,473.66	7,233.29	11,339.89	7,473.66	11,339.89	9,022.08
D Asset management	13,628.34	12,692.25	11,822.49	13,628.34	11,822.49	12,022.85
E Unallocated	26,518.18	47,791.39	50,391.70	26,518.18	50,391.70	42,241.50
<b>Total Capital Employed</b>	<b>3,10,757.62</b>	<b>2,42,319.72</b>	<b>2,28,567.35</b>	<b>3,10,757.62</b>	<b>2,28,567.35</b>	<b>2,25,685.92</b>





STAND-ALONE FINANCIAL RESULTS

PART I - STATEMENT OF STAND-ALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2014

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2014 Unaudited	30.09.2014 Unaudited	31.12.2013 Unaudited	31.12.2014 Unaudited	31.12.2013 Unaudited	31.03.2014 Audited
1	<b>Income from operations</b>						
	(a) Dividend	39.02	7,350.04	25.04	7,389.06	6,534.18	6,534.18
	(b) Other operating income	561.60	847.56	724.94	2,101.87	1,392.62	2,118.14
	<b>Total income from operations</b>	<b>600.62</b>	<b>8,197.60</b>	<b>749.98</b>	<b>9,490.93</b>	<b>7,926.80</b>	<b>8,652.32</b>
2	<b>Expenses</b>						
	(a) Employee benefits expense	204.42	485.54	103.05	839.06	591.94	731.95
	(b) Operating and other expenses	176.61	162.46	78.01	445.60	237.54	457.12
	(c) Depreciation and amortisation expense	11.36	7.53	10.81	27.51	30.29	40.85
	<b>Total expenses</b>	<b>392.39</b>	<b>655.53</b>	<b>191.87</b>	<b>1,312.17</b>	<b>859.77</b>	<b>1,229.92</b>
3	<b>Profit from operations before other income and finance costs (1-2)</b>	<b>208.23</b>	<b>7,542.07</b>	<b>558.11</b>	<b>8,178.76</b>	<b>7,067.03</b>	<b>7,422.40</b>
4	Other income	0.02	0.45	2.30	0.49	30.44	63.32
5	<b>Profit from ordinary activities before finance costs (3+4)</b>	<b>208.25</b>	<b>7,542.52</b>	<b>560.41</b>	<b>8,179.25</b>	<b>7,097.47</b>	<b>7,485.72</b>
6	Finance costs	119.65	24.57	2.35	151.75	6.82	8.93
7	<b>Profit from ordinary activities before tax (5-6)</b>	<b>88.60</b>	<b>7,517.95</b>	<b>558.06</b>	<b>8,027.50</b>	<b>7,090.65</b>	<b>7,476.79</b>
8	Tax expense	15.62	100.75	89.72	270.37	212.44	371.69
9	<b>Net Profit from ordinary activities after tax (7-8)</b>	<b>72.98</b>	<b>7,417.20</b>	<b>468.34</b>	<b>7,757.13</b>	<b>6,878.21</b>	<b>7,105.10</b>
10	Extraordinary items	-	-	-	-	-	-
11	<b>Net Profit after tax (9+10)</b>	<b>72.98</b>	<b>7,417.20</b>	<b>468.34</b>	<b>7,757.13</b>	<b>6,878.21</b>	<b>7,105.10</b>
12	Paid up equity share capital (Face value Re. 1/- per share)	7,833.24	7,593.49	7,551.87	7,833.24	7,551.87	7,553.43
13	Reserves excluding revaluation reserves						1,54,319.34
14	Earning Per Share (EPS)						
	Basic EPS (in Re.) (Not annualised)	0.01	0.98	0.06	1.01	0.91	0.94
	Diluted EPS (in Re.) (Not annualised)	0.01	0.96	0.06	1.00	0.89	0.92

PART II - SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2014

A PARTICULARS OF SHAREHOLDING							
15	Public shareholding						
	No. of shares	26,55,34,726	24,15,59,743	23,73,97,757	26,55,34,726	23,73,97,757	23,75,54,232
	Percentage of holding (%) (as a % of total share capital of the Company)	33.90%	31.81%	31.44%	33.90%	31.44%	31.45%
16	Promoters and promoter group shareholding						
	(a) Pledged / Encumbered						
	No. of shares	Nil	Nil	Nil	Nil	Nil	Nil
	Percentage of shares (%)	-	-	-	-	-	-
	(b) Non-encumbered						
	No. of shares	51,77,89,265	51,77,89,265	51,77,89,265	51,77,89,265	51,77,89,265	51,77,89,265
	Percentage of shares (%) (as a % of total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Percentage of holding (%)* (as a % of total share capital of the Company)	66.10%	68.19%	68.56%	66.10%	68.56%	68.55%
B INVESTOR COMPLAINTS							
		Quarter Ended 31st December, 2014					
	Pending at the beginning of the quarter	0					
	Received during the quarter	5					
	Disposed off during the quarter	5					
	Remaining unresolved at the end of the quarter	0					

\* Dilution in promoter shareholding is on account of exercise of ESOPs by employees and exercise of warrants by warrant holders (Refer note 4 & 5)





**Notes:**

- 1) The above un-audited financial results of the Company have been reviewed by the Audit Committee and on its recommendation, have been approved by the Board of Directors at its meeting held on January 28, 2015. The unaudited financial results have been prepared on the basis of same accounting policies which were followed in preparation of financial results for the year ended March 31, 2014.
- 2) The Board of Directors have declared an interim dividend of Re.0.55 per share of the face value of Re. 1 each. This will result in cash outflow of Rs.43.08 crore. The Record date fixed by the Board for the purpose of payment of the interim dividend is February 7, 2015. The amount of dividend shall be paid/credited to those shareholders whose names appear in the register of Members as the beneficial owners in respect of their electronic holding of shares on the above Record date.
- 3) The Consolidated Financial Results (CFR) are prepared in accordance with the principles and procedures for the preparation and presentation of CFR as set out in the Accounting Standard (AS) 21 on "Consolidated Financial Statements" and AS 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" prescribed by Companies (Accounting Standards) Rules, 2006 (as amended).
- 4) During the quarter, the Company received an aggregate amount of Rs.33.28 crore as consideration towards the issue and allotment of 2,32,93,878 equity shares of the face value of Re. 1/- each (being balance 75% of the issue price of Re.19.05 per equity share). The said consideration has been received upon the exercise of right by the Warrant holders to convert 2,32,93,878 Warrants held by them into equity shares and the same has been utilised for the general corporate purpose. Accordingly, the Allotment Committee of the Board has allotted 2,32,93,878 equity shares to the Warrant holders.
- 5) During the quarter, the Allotment Committee of the Board has allotted 6,81,105 equity shares of the face value of Re. 1/- each to the eligible employees upon exercise of stock options by them.
- 6) During the quarter, upon issue and allotment of 12,49,496 Compulsorily Convertible Preference Shares and 4 equity shares to the investors by FICS Consultancy Services Limited (FICS), it has ceased to be the Wholly owned subsidiary of the Company. However, FICS continue to remain a subsidiary of the Company.
- 7) On a stand-alone basis, the Company is engaged in Core Investment activities, which in the context of AS 17 on "Segment Reporting" is considered as the only segment. However, on a consolidated basis, the Company has identified four reportable segments, namely, (i) Investment banking & securities business, (ii) Fund based activities, (iii) Alternative asset management and (iv) Asset management.
- 8) On a stand-alone basis, the dividend income, if any, arising in different quarters, may not be comparable.
- 9) Consolidated as well as Standalone unaudited financial results for the quarter and nine months ended December 31, 2014 will be made available on the Company's website viz., [www.jmfl.com](http://www.jmfl.com) and websites of BSE Limited and National Stock Exchange of India Limited viz., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

Key stand-alone financial information is given below:

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2014 Unaudited	30.09.2014 Unaudited	31.12.2013 Unaudited	31.12.2014 Unaudited	31.12.2013 Unaudited	31.03.2014 Audited
Total Income	600.64	8,198.05	752.28	9,491.42	7,957.24	8,715.64
Profit before tax	88.60	7,517.95	558.06	8,027.50	7,090.65	7,476.79
Profit after tax	72.98	7,417.20	468.34	7,757.13	6,878.21	7,105.10


*Rupees in Lakh*

- 10) Previous period/year's figures have been regrouped and rearranged wherever necessary to conform to current period/year's classification.

Place: Mumbai  
Date: January 28, 2015



For and on behalf of the Board

  
**Nimesh Kampani**  
Chairman & Managing Director  
(DIN: 00009071)

PRESS RELEASE  
For Immediate Release

**JM Financial's consolidated revenue is up by 65% and consolidated profit up by 97% for the quarter ended December 31, 2014. The Board of Directors declares interim dividend of Re.0.55 per share.**

**Mumbai, January 28, 2015:** The Board of Directors of JM Financial Limited, at its meeting held today, considered and approved the unaudited financial results for the quarter and nine months ended December 31, 2014.

**Consolidated Results – Key Highlights:**

**FY 15 – Q3 compared to FY 14 – Q3**

- **Total income increased by 65%** to Rs. 366.56 crore from Rs. 221.93 crore
- **Profit before tax increased by 123%** to Rs. 137.33 crore from Rs. 61.65 crore
- **Net profit after tax**, minority interest and share of associates **increased by 97%** to Rs. 87.03 crore from Rs. 44.16 crore

**FY 15 – 9 months compared to FY 14 – 9 months**

- **Total income increased by 34%** to Rs. 1,010.18 crore from Rs. 751.51 crore
- **Profit before tax increased by 72%** to Rs. 358.46 crore from Rs. 209.00 crore
- **Net profit after tax**, minority interest and share of associates **increased by 58%** to Rs. 237.57 crore from Rs. 150.10 crore

The Earnings per share and Diluted Earnings per share, for the nine months ended December 31, 2014 is Rs. 3.10 and Rs. 3.06 respectively (not annualised).

The Board of Directors has declared an interim dividend of Re. 0.55 per share of the face value of Re. 1 each, which will result in cash outflow of Rs. 45.38 crore, including dividend distribution tax.

**Commenting on the quarterly results, Mr. Nimesh Kampani, Chairman, JM Financial Group,** stated, "During the quarter, we continued to drive profitability and revenue growth, with continuous efforts at strengthening all our businesses which remains the central focus of our endeavors. The group's fund based activities and Mutual Fund Asset management businesses have done well during the quarter. Our focus on asset quality and net interest margin provides a solid foundation to our growth in the fund based business. During the quarter, JM Financial was awarded the "Best M&A House in India" for 2014 by The Asset Magazine as part of its Triple A Country Awards.

By cutting the key policy rates, the Reserve Bank of India has set the tone for the broader fiscal consolidation efforts of the government. Going forward, we expect the momentum to pick up and foresee increase in the economic activity in 2015."

**JM Financial Limited**

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## **Business Update**

### **Investment banking and securities business:**

During the quarter under review our Investment banking business executed the following deals:

- Acted as managers to Qualified Institutional Placement by Ceat Ltd – Rs. 400 crore.
- Acted as managers to Future Group on investment by Premji Invest of Rs.175 crore.
- Acted as managers for the Open Offer to the shareholders of Network 18 Group – Rs.2,295 crore.

The pipeline of our investment banking business continues to remain healthy with several mandated transactions under execution.

The Institutional Equities Business has seen an improvement in traction with clients both overseas as well as on the domestic markets with active interaction by its research and sales divisions.

We held our India conference in Mumbai in the month of November 2014 which was well received by both investors and corporates alike. A total of 79 corporates & 110 funds attended the conference which was held over 2 days.

In the wealth management business, the assets under management stood at approximately Rs.20,188 Crore as on December 31, 2014.

In the distribution business, we have a large network of approximately 7,400 active Independent Financial Distributors (IFDs) who distribute various financial products across the country. We have presence in 256 locations spread across 111 cities through a network of branches and franchisees. During the quarter, we mobilized more than Rs.850 Crore in fixed deposit schemes and fixed income products of various companies.

### **Fund based activities:**

We continued lending activities in the areas of loan against securities and loan against commercial real estate / properties. Loan against securities include products like Loan against shares, Sponsor Funding, Margin Funding, ESOP funding and IPO funding. We announced the infusion of funds in our real estate lending company through investment of Rs.540 crore from a Global Fund led by Mr. Vikram Pandit and the infusion of Rs.360 crore by JM Financial Limited to this business. The overall funding book stood at Rs. 4,856 Crore as on December 31, 2014. The treasury book as on December 31, 2014 for the fixed income securities stood at Rs. 643 Crore. We raised funds through various money market instruments, other medium to long term instrument and secured credit facilities from Banks.

Post the introduction of revised regulations by Reserve Bank of India, the asset acquisition activity by the asset reconstruction companies has seen a sharp decline. During the quarter, Banks continued to announce auctions for sale of non-performing assets. However, deal closure was low. We closed a few deals including acquisition of a fresh non-performing asset portfolio. During the quarter, we made recoveries from already acquired accounts majorly backed by recovery from sale of assets and restructured accounts.

The Indian banking system has a high level of non-performing and restructured assets. There is a continuous regulatory push on Banks from Reserve Bank of India to sell their non-performing assets to asset reconstruction companies. The following quarter is also the last quarter when Banks can take advantage of spreading the loss on sale of non-performing assets over a period of 2 years in terms of RBI's facilitation. Considering this, it is expected that the sale of non-performing assets will see an increase in the near term.

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**Alternative Asset Management:**

At the end of the quarter, the combined AUM/AUA of the private equity fund and real estate fund stood at around Rs.975 crore.

JM Financial India Fund (the Fund), our private equity fund partly exited one of its investments during this quarter. The Fund is working closely with its portfolio companies in helping them grow their businesses as well as to seek exit opportunities.

JM Financial Property Fund continues to focus on exploring exit opportunities from the residual investments. JM Financial Property Fund I exited investment and distributed the proceeds received from the same during the quarter. With this distribution, the scheme has made gross distributions of Rs 108.6 Crore, representing 50.5% of the capital contribution.

**Asset Management:**

The AUM of the Asset Management Business continued to grow during the quarter. The average AUM in our Mutual Fund as on December 31, 2014 stood at Rs. 14,240 crore. The average AUM under Equity schemes was at Rs. 7,128 crore and under the Debt Schemes was at Rs. 7,112 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)

**For further information, please 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.

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