



# **JM Financial Limited**

**Corporate Presentation**

*December 2015*

## Safe Harbour

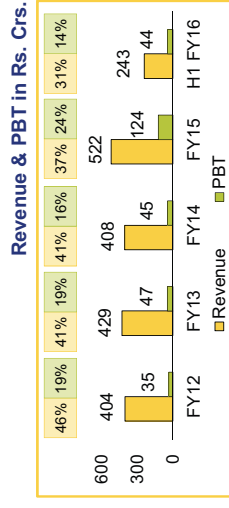
*This presentation describing our activities, projections and expectations for the future, may contain certain 'forward looking statements' within the meaning of applicable laws and regulations. The actual results of business may differ materially from those expressed or implied due to various risk factors and uncertainties. These risk factors and uncertainties include the effect of domestic as well as global economic and political events, volatility in interest rates and in the securities market, new regulations and government policies that may impact our businesses as well as ability to implement our strategies. We are under no obligation to publicly amend, modify or revise any forward looking statement on the basis of any subsequent developments, information or events and assume no liability for any action taken by anyone on the basis of any information contained herein.*

# Sustainable Growth – Oriented Portfolio

- JM Financial is a four decade old institution founded by Mr. Nimesh Kampani
- Servicing clients across the financial services spectrum
- PAN India Presence
- Firm four-decade footprints - proven track record of growth & sustainability
- Pioneered innovative products in the financial services space
- Trusted & preferred partner – client centric business model

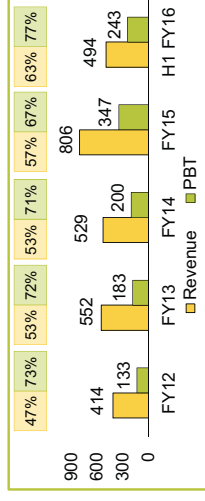
## Investment Banking, Securities and Wealth Management

- Corporate Finance Advisory
- M&A Advisory – domestic & cross border
- Private Equity Synd
- Equity Capital Markets - Distribution
- Debt Capital Markets
- Equity Research, Sales & Trading
- Wealth Management
- Financial Products



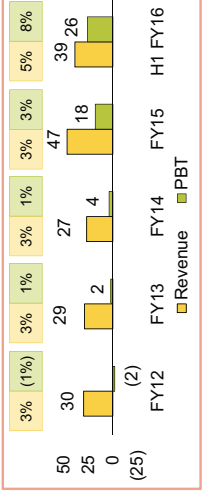
## Financing Business

- Margin Financing
- Loan against property
- Loan against Shares
- Broker Funding
- Commercial Real Estate
- Debt Restructuring
- ESOP Funding



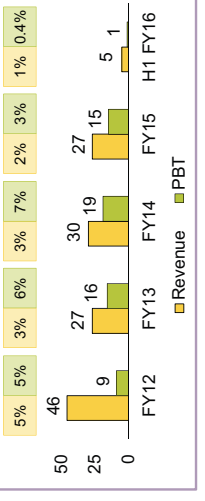
## Asset Management

- Mutual Funds



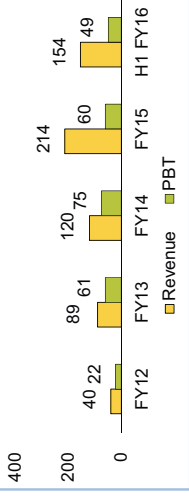
## Alternative Asset Management

- Real Estate Fund
- Private Equity Fund



## Asset Reconstruction Business

- Acquisition of Bank NPA's and resolution thereof



% contribution of consolidated revenue

% contribution of consolidated PBT

# Investment Banking Business

- Over three decades of leadership in M&A and Capital Markets
- Strong track record of landmark M&A transactions
- Pioneer in innovating capital market products
- Wide & deep sectoral coverage both from a corporate finance & research perspective
- BW Business World Magna Awards 2015 – “M&A Deal Maker of the Year”



Key strength lies in innovative structuring and execution of complex, challenging deals and restructuring of corporate groups & businesses.



Strong Long-term Indian Corporate relationships



Leadership positions in all product areas and unmatched market share for landmark transactions











Best-in-Class Execution Team with focus on client satisfaction








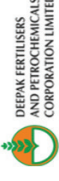


Awarded a number of recognitions over the years from Euromoney and Finance Asia. Awarded ‘Investment Bank of the Year’ & ‘India Deal of the Year (Large Markets)’ at recently conducted M&A Atlas Awards

# Marquee Investment Banking Transactions – 2014-15



Capital Market Transactions	
<p>October 2015</p>  <p><b>KELKAR GROUP</b> <i>Infinita Possibilities</i></p> <p><b>Rs. 510 Cr</b> IPO</p>	<p>September 2015</p>  <p><b>HDFC</b> WITH YOU, RIGHT THROUGH HOUSING DEVELOPMENT FINANCE CORPORATION LTD.</p> <p><b>Rs. 5,051 Cr</b> QIP</p>
<p>August 2015</p>  <p><b>IndianOil</b></p> <p><b>Rs. 9,302 Cr</b> OFS</p>	<p>July 2015</p>  <p><b>DIAGEO</b></p> <p><b>Rs. 872 Cr</b> Block Deal</p>
<p>June 2015</p>  <p><b>IndusInd Bank</b></p> <p><b>Rs. 4,328 Cr</b> QIP</p>	<p>June 2015</p>  <p><b>BAJAJ FINSERV</b> Bajaj Finance Ltd.</p> <p><b>Rs. 1,400 Cr</b> QIP</p>
<p>June 2015</p>  <p><b>HDFC BANK</b></p> <p><b>Rs. 2,000 Cr</b> QIP</p>	<p>January 2015</p>  <p><b>SBI</b> Empowering India - Building a Better Tomorrow Nurturing Nature</p> <p><b>Rs. 22,500 Cr</b> OFS</p>

Mergers & Acquisition Transactions	
<p>2015</p>  <p><b>THE LEEA</b> PUNJ LLOYD GROUP</p> <p><b>\$109 MM</b> Sole Financial Advisor to HLVL on the sale of Leela Goa to MetTube</p>	<p>2015</p>  <p><b>adani</b></p> <p>Lead advisor to Adani Enterprises on a major group restructuring</p>
<p>2015</p>  <p><b>RELIANCE Infrastructure</b></p> <p><b>\$333 MM</b> Advisor to Open Offer by Reliance Infra in Pipavav Defence and Offshore Eng.</p>	<p>2015</p>  <p><b>ADITYA BIRLA PENTAGON</b></p> <p>Fairness opinion to the Board of PFRL for the merger of Madura Fashion and Madura Lifestyle into PFRL</p>
<p>2015</p>  <p><b>CAIRN</b></p> <p>Fairness Opinion to the Board of Cairn India on its merger with Vedanta Ltd.</p>	<p>2014</p>  <p><b>DIAGEO</b></p> <p><b>\$3,140 MM</b> Lead Financial Advisor to Diageo Plc for acquisition of in United Spirits Ltd.</p>
<p>2014</p>  <p><b>Financial Technologies</b> Creating Markets. Unlocking Value.</p> <p><b>\$145 MM</b> Financial Advisor to FTIL for sale of its stake in MCX</p>	<p>2014</p>  <p><b>DEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED</b></p> <p><b>\$166 MM</b> Manager to Open offer by Deepak Fertilizers in Mangalore Chem &amp; Fert</p>



# Wealth Management and Broking Business

## Wealth Management

Wealth AUM stands at Rs.24,000 Crs with a team size of 53 wealth advisors as on September 2015

Presence in 6 major cities in India i.e. Mumbai, Delhi, Bangalore, Pune, Kolkata & Hyderabad

Intensely client-oriented approach, create customised long-term Asset Allocation strategy and provide them with unbiased investment solutions

Full service providers to clients across all products like Investment Banking, Corporate Finance etc.

Focus on growing Discretionary Assets

Around 7650 active IFDs in 111 cities

## Broking Business

Worldwide institutional reach - dominant global & local institutional franchise

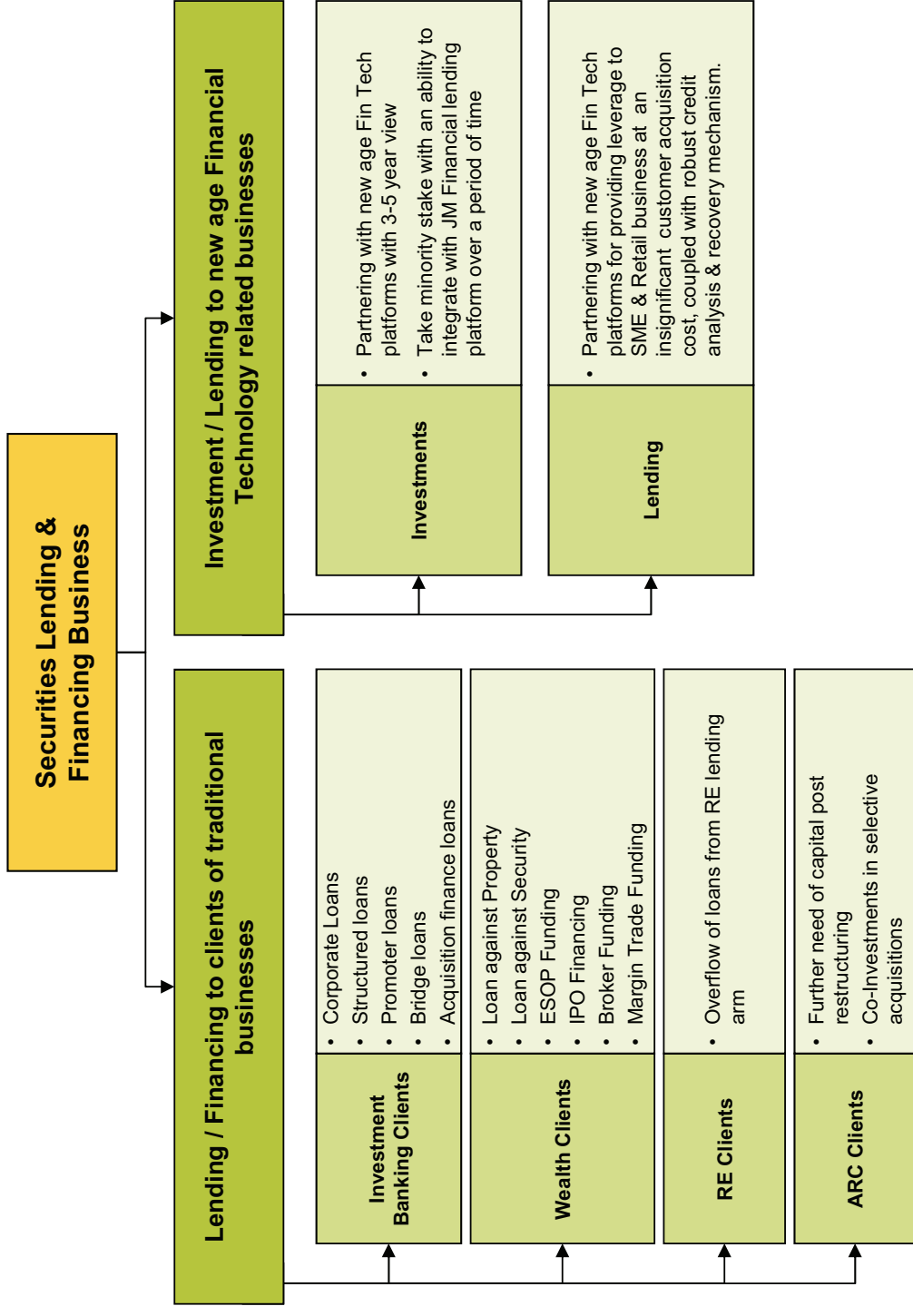
Institutional distribution strength - We cover 150 funds across regions

Extensive research coverage over 170 companies

Average daily turnover in Q2FY16 - Rs. 2,179 Cr, which includes cash segment of Rs. 555 Crs

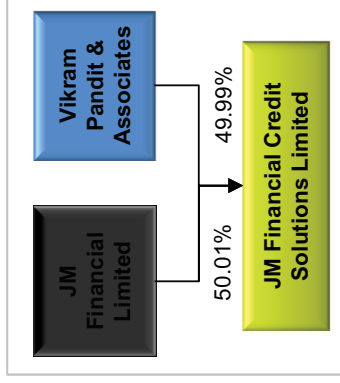
Market Share on NSE in Q2FY16 – 0.76%

# Securities Lending And Financing Business



- JM Financial Products Ltd. is the Non-Banking Finance Company (NBFC) of the JM Financial Group. The company enjoys the highest short-term credit rating of P1+ from CRISIL
- During the year CRISIL reaffirmed the "CRISIL A1+" (highest grading) rating for the Commercial Paper program as well its "CRISIL AA/ Stable" rating for long term NCD issuances and bank loan rating

# Commercial Real Estate Lending Business



- Strong Balance sheet : Net worth / Owned fund of 900 Crore
- No Start-Up Risk : The investments by shareholders provides equity capital to a business that has operated profitably for five years as a division of JM Financial Products Limited
- JMFL and Vikram Pandit & Associates have created a true strategic partnership not a vanilla PE deal



The real estate financing arm of J M Financial Limited, looks at providing an integrated financial solution to real estate developers – Major focus on real estate project financing



Lending book has grown from ~ INR 1,800 crs in the beginning of FY 2015-16 to ~ INR 3,000 crs till September 2015



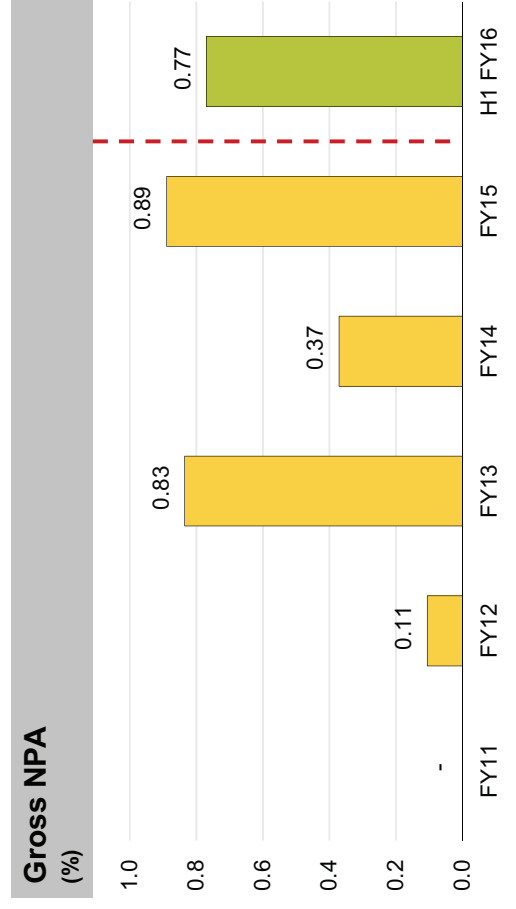
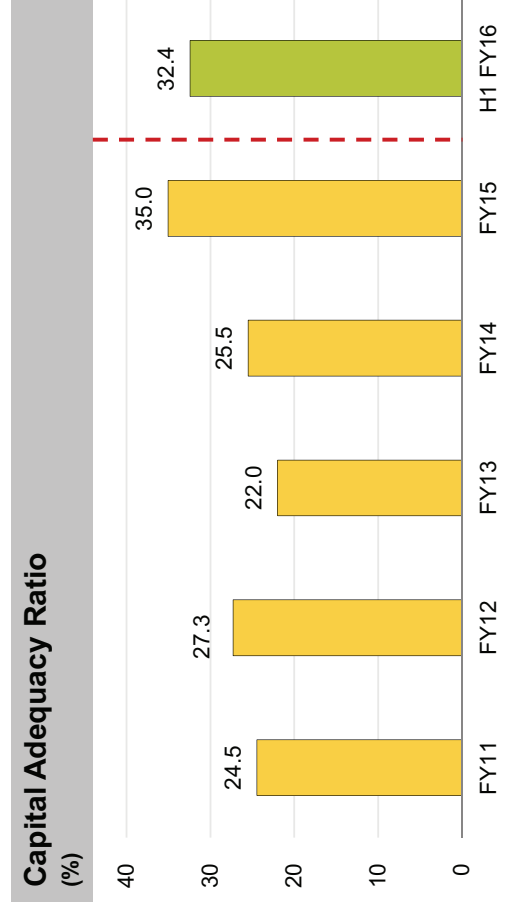
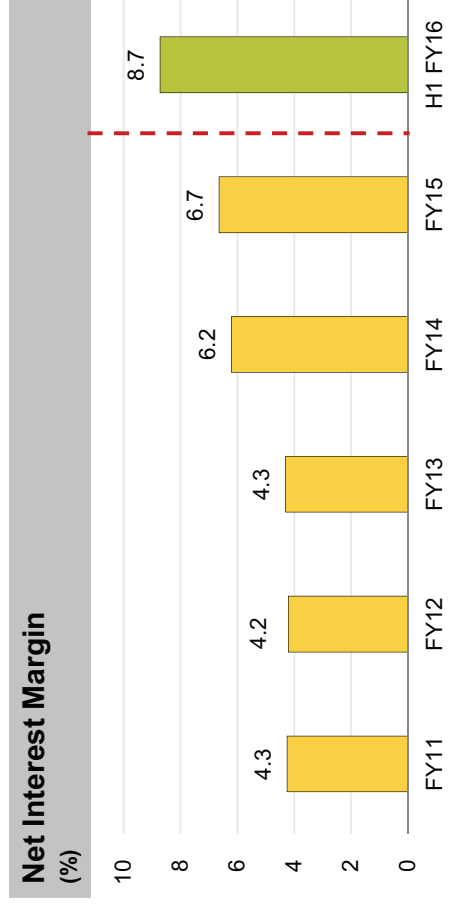
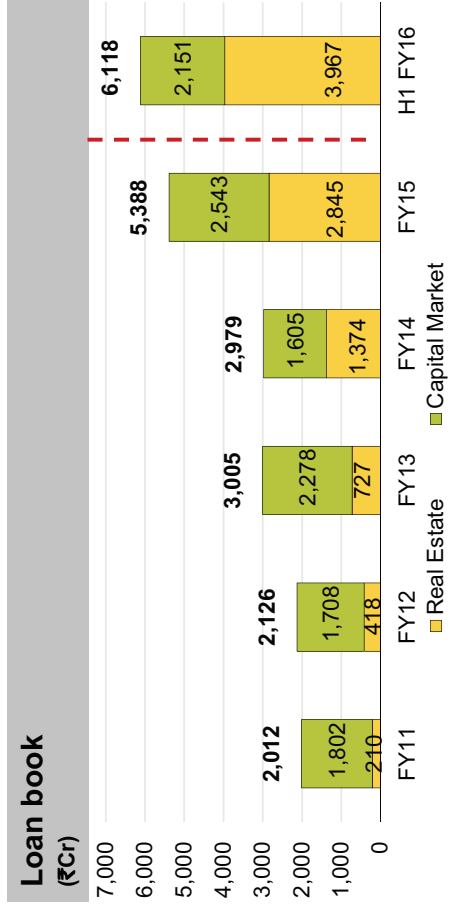
- Book comprises of 32 clients – significant focus on repeat business
- Most of the clients with over 25 years of experience in the industry
- Focus on Tier I markets – Mumbai, Bengaluru, Pune and Chennai
  - With loan disbursements of 50% in Mumbai, 24% Bengaluru, 16% Pune, 9% Chennai and 1% Others
- 90% of the book is cashflow backed lending
- 82% of the book is against Residential projects – Self liquidating & less risky



Prominent Relationships – Kalpataru, Wadhwa, RMZ, Embassy, Kanakia, Peninsula, Adarsh, Lodha and Marvel amongst others

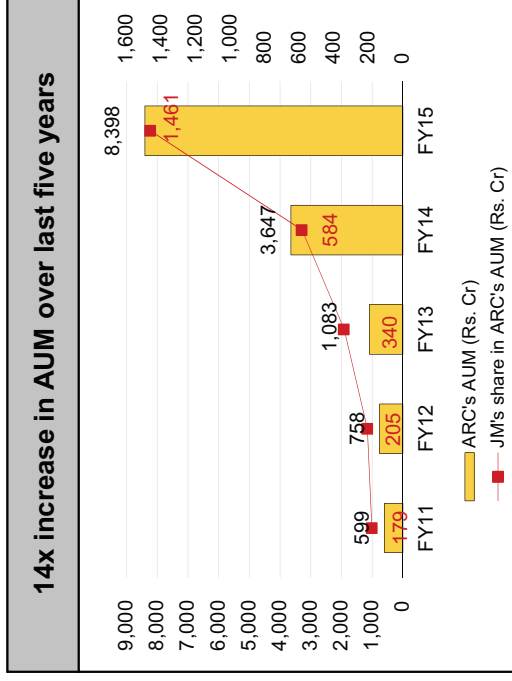


# Lending and Financing Business

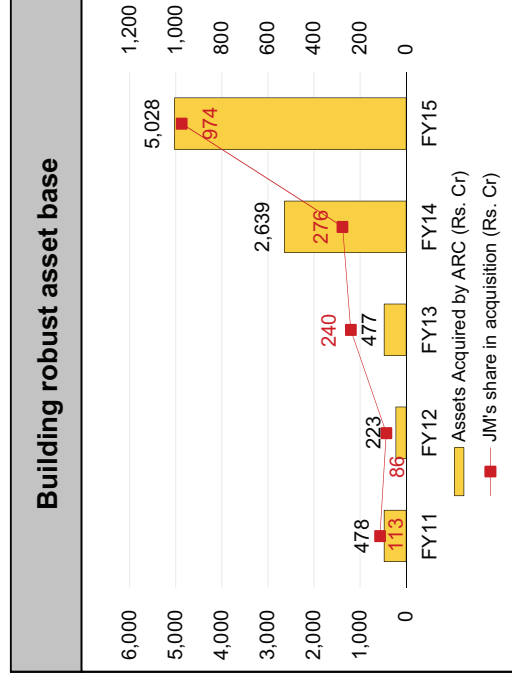


# Distressed Asset Financing Business (ARC)

- RBI registered ARC engaged in the business of Distressed Assets management in India
- Highest capitalized private sector ARC in the Indian industry
- Current AUM of ~ Rs. 8,493 Cr comprising Corporate, SME and Retail portfolios
- In-house legal expertise and synergies from group wide professional expertise



- Significant potential upside in the asset reconstruction business**
- RBI's concern over Bank NPA's expected to increase the sell-down of distressed assets to ARCs
  - Recent amendments expected to pave way for better & quicker returns –
    - improve quality of sell-down by Banks at proper valuation
    - better due diligence by ARCs
    - speedy recovery due to early involvement of ARCs



- Breakthrough Hotel Leela deal**
- Single deal for acquisition of ~Rs. 4,000 Cr dues from 14 Banks**

# Asset Management

## Real Estate

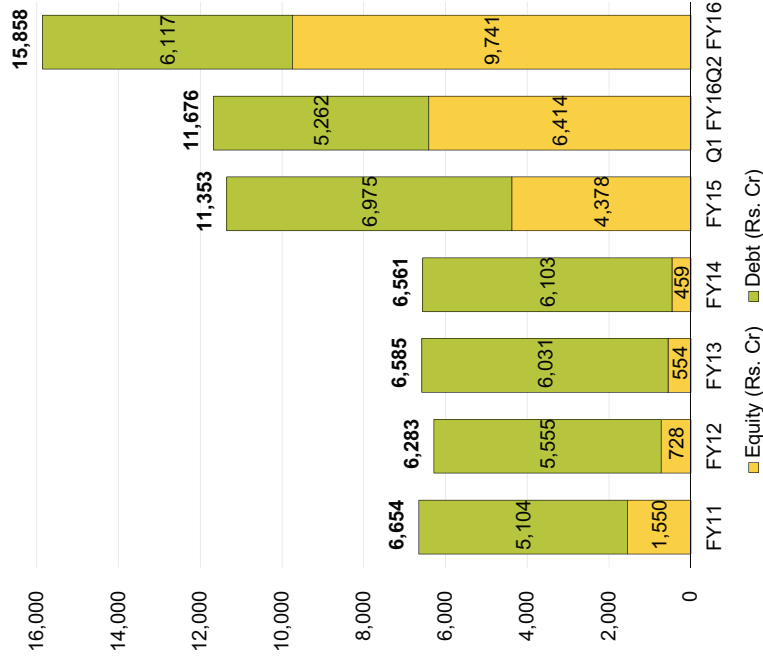
- India focused fund with investments in commercial, residential, retail and hospitality sectors
- Approx. 44% funds raised from international investors
- AUM as on September 30, 2015 – Rs. 260 Cr
- No. of investments: 10
- No. of Exits: 5 full and 1 part
- Fully drawn down & invested
- Amount distributed till date Rs. 181 Cr

## Private Equity

- India focused long term PE fund - providing growth capital to fast growing, primarily unlisted companies
- Approx. 85% of funds raised from International investors
- AUM as on September 30, 2015 - Rs. 640 Cr
- No. of investments: 13
- No. of Exits: 5 full
- Fully drawn down & invested
- Amount distributed till date Rs. 675 Cr

## Mutual Fund

### Significant increase in AUM – CAGR 24.49%



### As on September 30, 2015

- Quarterly Average AUM (QAAUM): Rs. 15,858 Cr
- Rank (QAAUM): 17 among 43 Mutual Funds
- Market Share: 1.21%

### Reach

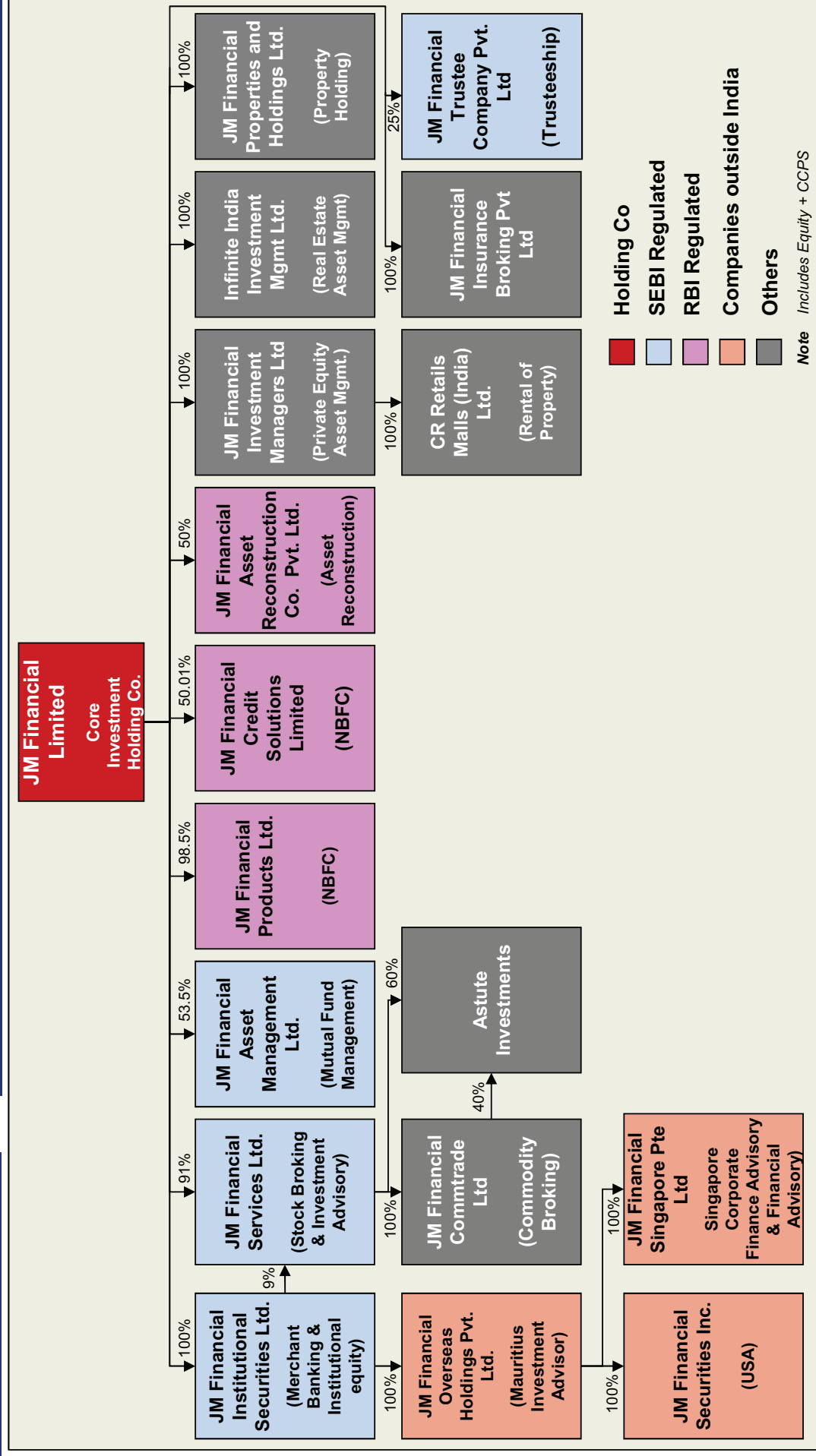
- Servicing Investor base of around **180,000** clients through **18** branches and **81** Investor Service Centres
- 15 schemes categorized under – Long Term Debt, Short Term Debt, Balance, Equity Arbitrage and Equity

Note:  
1. Equity AUM Q2 FY16 include Arbitrage Fund of Rs.5,506 Cr

# Appendix

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# JM Financial Limited its Subsidiaries & Associates



## Results for H1 FY16 (Consolidated)

₹ Cr	For the period ended September 30, 2015	For the year ended March 31, 2015
<b>Gross Revenue</b>	<b>785</b>	<b>1,403</b>
Sub-brokerage	39	97
Employee cost	129	235
Operating cost	55	115
Finance cost	239	420
Depreciation	10	18
<b>Profit before tax</b>	<b>313</b>	<b>517</b>
<b>Profit after tax</b>	<b>210</b>	<b>361</b>
Minority interest / Associate	-40	-30
<b>Net Consolidated profit</b>	<b>170</b>	<b>331</b>
EPS	2.15	4.32
Book Value	34	31
ROE	13.2%	14.6%

## Segment Performance

Segment revenue	For the period ended September 30, 2015	For the year ended March 31, 2015
Investment banking and securities business	243	522
Fund based activities	494	806
Alternative asset management	5	27
Asset management	39	47
Others	127	139
<b>Total Segment Revenue</b>	<b>908</b>	<b>1,541</b>
Less: Inter - segmental revenue	123	138
<b>Total Revenue</b>	<b>785</b>	<b>1,403</b>
Segment PAT	For the period ended September 30, 2015	For the year ended March 31, 2015
Investment banking and securities business	31	85
Fund based activities	128	217
Alternative asset management	1	11
Asset management	11	10
Others	-1	8
<b>Total</b>	<b>170</b>	<b>331</b>

## Summary Balance Sheet

₹ Cr	As at September 30, 2015	As at March 31, 2015
<b>Equity and Liabilities</b>		
Shareholders' Funds	2,702	2,438
Minority Interest	602	655
Borrowings	5,422	4,721
Other Liabilities and Provisions	596	586
<b>Total</b>	<b>9,322</b>	<b>8,400</b>
<b>Assets</b>		
Loan book	6,118	5,388
Investment and Treasury fund	1,666	1,472
Arbitrage and trading book	546	359
Other assets	992	1,181
<b>Total</b>	<b>9,322</b>	<b>8,400</b>