

PRESS RELEASE

For Immediate Release

## **JM Financial agrees to consolidate its holding in wholesale debt syndication and distressed credit business under one platform**

**Mumbai, July 6, 2024:** The Board of Directors at its meeting held today approved the following transactions (**“Proposed Transaction”**):

- Acquisition of 42.99% stake in JM Financial Credit Solutions Limited (**“JMFCSL”**) by JM Financial Limited (**“JMFL”**) for a consideration of approximately Rs. 1,282 crore. Post transaction, the stake held by JMFL in JMFCSL shall increase from 46.68% to 89.67% and
- Acquisition of 71.79% stake in JM Financial Asset Reconstruction Company Limited (**“JMFARC”**) by JMFCSL from JMFL for a consideration of approximately Rs. 856 crore. Post transaction the stake held by JMFCSL in JMFARC shall increase from 9.98% to 81.77%.

The Proposed Transaction shall result in a net cash outflow of approximately Rs. 426 crore from JMFL and shall be funded from surplus cash. The Proposed Transaction is subject to applicable regulatory, shareholders and other approvals and is expected to be completed in 3-6 months.

### **Strategic rationale for the Proposed Transaction**

- Consolidating the distressed credit business under its wholesale debt syndication platform, JMFCSL. The platform shall leverage the experience of its talent pool through different economic cycles to achieve higher risk adjusted returns.
- Over the last 15 years, JM Financial Group has developed significant expertise and relationships both in the wholesale and distressed credit businesses. This expertise shall be channelized to pivot from an on balance sheet business model to a diversified originate to distribute / syndication model across asset classes.
- JM Financial Group's ownership in JMFCSL increases to 89.67%. The Group's share in the consolidated profits shall accordingly increase and JMFL shall have enhanced control of JMFCSL including capital allocation and distribution of profits.

- Post the aforesaid consolidation of shareholding, JMFL's investments shall primarily be towards the expansion of both, its retail capital market led business (retail broking, wealth management and asset management) and retail home financing business.

**Commenting on the Proposed Transaction, Mr. Vishal Kampani, Non – Executive Vice Chairman, JM Financial Limited, said,**

“The Proposed Transaction shall align our corporate and capital structure offering greater flexibility to optimise capital allocation and distribution of profits to our shareholders. We foresee significant long term growth opportunities emerging for our businesses and are well positioned to leverage them in the evolving market scenario.”

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For more information, log on to [www.jmfl.com](http://www.jmfl.com) or **contact:**

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**Forward - Looking statements**

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