



# JM Financial Limited

Quarter and year ended March 31, 2018 – Results update

*May 2, 2018*

# 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.*

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**Group Performance**

**Business Performance**

**Group Structure and Shareholding Pattern**

**Group Overview**

**Annexures**

# Key Highlights – Consolidated Performance

	Revenues	PBT	Net Profit	EPS*	ROA*	ROE*
<b>Q4 FY18</b>	933 Cr	402 Cr	189 Cr	2.35	1.3%**	4.9%**
	↑ 29%	↑ 23%	↑ 25%	↑	↓	↑
<b>Q4 FY17</b>	725 Cr	326 Cr	151 Cr	1.90	1.4%	4.7%
	Revenues	PBT	Net Profit	EPS	ROA	ROE
<b>FY18</b>	3,235 Cr	1,309 Cr	631 Cr	7.86	4.7%**	18.0%**
	↑ 37%	↑ 35%	↑ 34%	↑	=	↑
<b>FY17</b>	2,359 Cr	972 Cr	470 Cr	5.93	4.7%	15.6%

\* Not annualized.

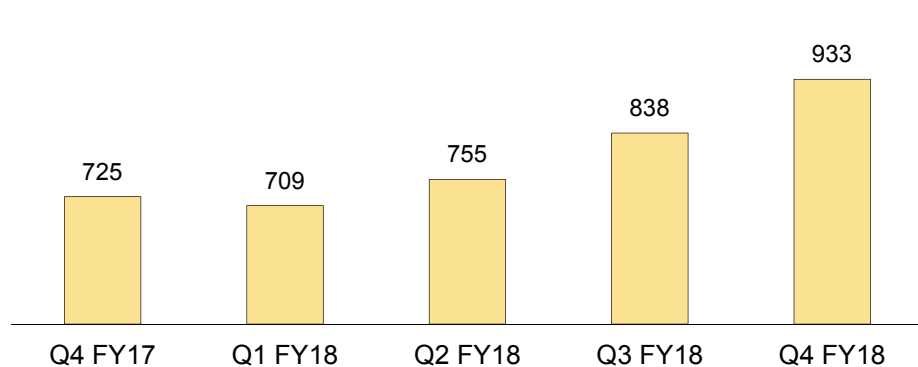
\*\* ROE for Q4 FY18 and FY 18 calculated on weighted average net worth due to equity infusion through QIP in Q4 FY18

ARC figures in the statement of profit and loss are consolidated on line by line basis from October 1, 2016.

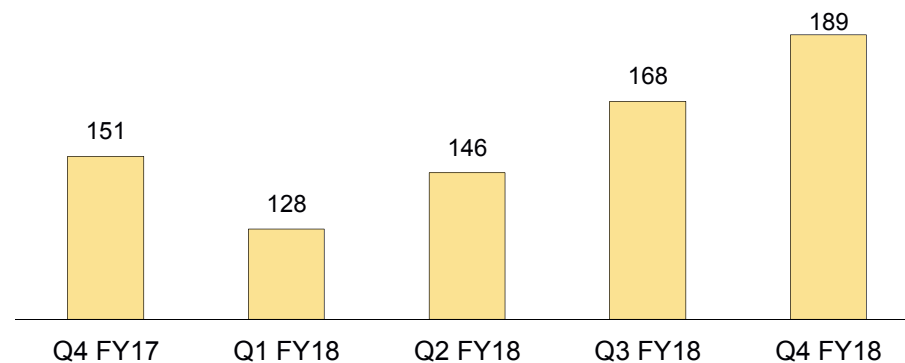
The ARC was an "Associate" of JM Financial Limited till September 30, 2016.

# Key Highlights – Quarterly Trend

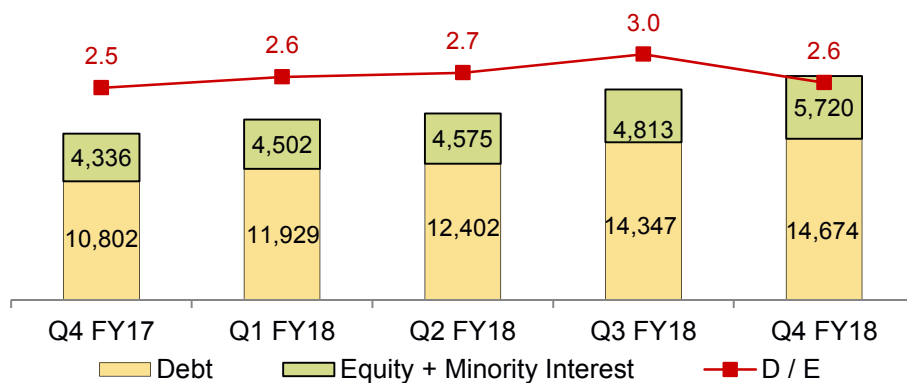
Gross Revenues (Rs Cr)



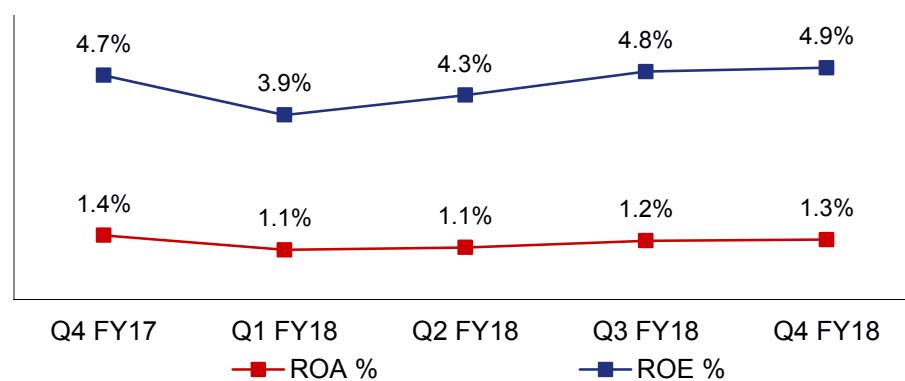
Net Profit (Rs Cr)



Leverage Analysis\*\* (Rs Cr)



Return Ratios (%)\*



\* ROA calculation - Total assets are considered net of IPO funding assets. RoE and RoA are not annualized

\*\* Borrowings as on Q2FY18 excludes borrowing for IPO financing amounting to Rs. 1,424 Cr

# Consolidated Profit & Loss Statement

Particulars (Rs Cr)	Q4 FY18	Q4 FY17	YoY %	Q3 FY18	QoQ %
<b>Gross Revenue</b>	<b>933</b>	<b>725</b>	<b>29%</b>	<b>838</b>	<b>11%</b>
Sub-brokerage	31	22	41%	26	16%
Employee cost	89	80	12%	99	-10%
Operating cost	97	77	26%	61	59%
Finance cost	307	214	44%	294	4%
Depreciation	7	6	8%	7	3%
<b>PBT</b>	<b>402</b>	<b>326</b>	<b>23%</b>	<b>351</b>	<b>15%</b>
Tax Expense	141	116	21%	113	24%
<b>PAT</b>	<b>261</b>	<b>210</b>	<b>24%</b>	<b>237</b>	<b>10%</b>
Share in profit of Associates	0	0	7%	0	-31%
<b>PAT before Minority Interest</b>	<b>261</b>	<b>210</b>	<b>24%</b>	<b>237</b>	<b>10%</b>
Minority Interest	-72	-59	22%	-69	4%
<b>PAT after Minority Interest</b>	<b>189</b>	<b>151</b>	<b>25%</b>	<b>168</b>	<b>12%</b>

# Consolidated Profit & Loss Statement

Particulars (Rs Cr)	FY18	FY17	YoY %
<b>Gross Revenue</b>	<b>3,235</b>	<b>2,359</b>	<b>37%</b>
Sub-brokerage	104	92	12%
Employee cost	387	306	26%
Operating cost	265	184	44%
Finance cost	1,145	782	46%
Depreciation	26	23	12%
<b>PBT</b>	<b>1,309</b>	<b>972</b>	<b>35%</b>
Tax Expense	438	335	31%
<b>PAT</b>	<b>870</b>	<b>637</b>	<b>37%</b>
Share in profit of Associates	1	12	-91%
<b>PAT before Minority Interest</b>	<b>871</b>	<b>649</b>	<b>34%</b>
Minority Interest	-240	-179	35%
<b>PAT after Minority Interest</b>	<b>631</b>	<b>470</b>	<b>34%</b>

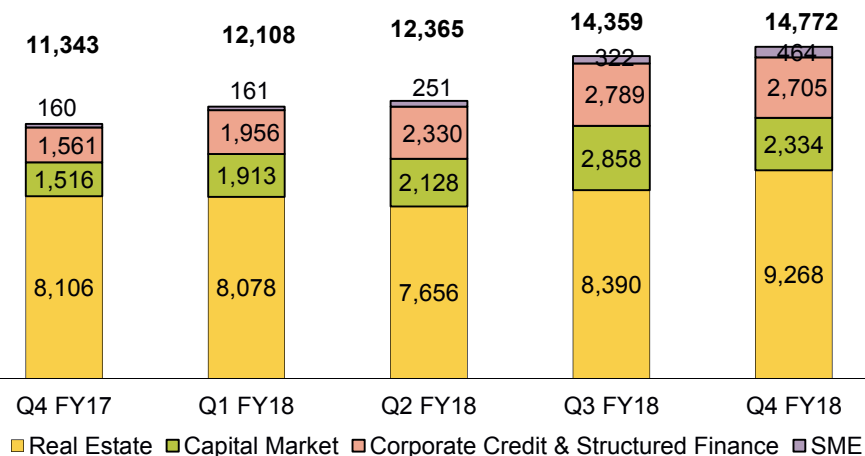
# Consolidated Balance Sheet

Particulars (Rs Cr)	As at March 31, 2018	As at March 31, 2017
<b>Equity and Liabilities</b>		
Shareholders' Funds	4,349	3,227
Minority Interest	1,371	1,109
Borrowings	14,674	10,802
Other Liabilities and Provisions	1,093	1,315
<b>TOTAL</b>	<b>21,487</b>	<b>16,453</b>
<b>Assets</b>		
Loan book	14,772	11,343
Distressed asset book (Investment in SRs / Loan)	2,299	1,641
Investment in associates	8	7
Treasury fund	2,495	1,377
Arbitrage and trading book	198	130
Property, Plant and Equipment	378	383
Other assets	1,337	1,571
<b>TOTAL</b>	<b>21,487</b>	<b>16,453</b>

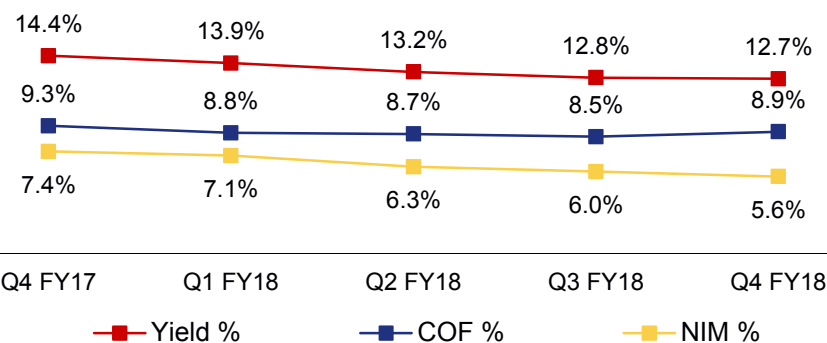


# Lending book Profile

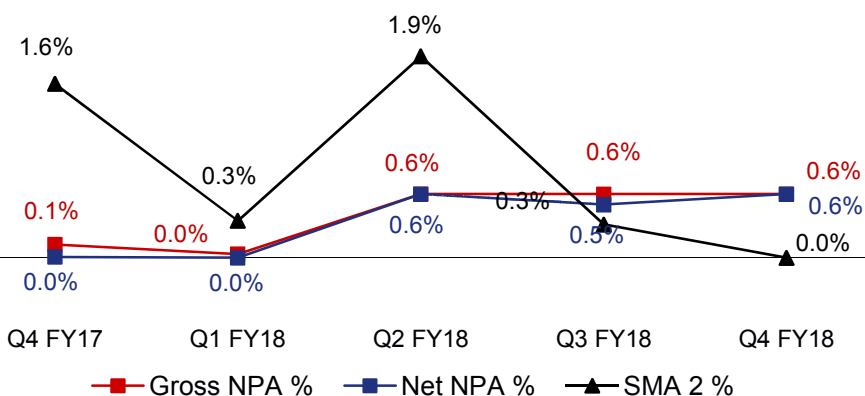
Loan Book\* (Rs Cr)



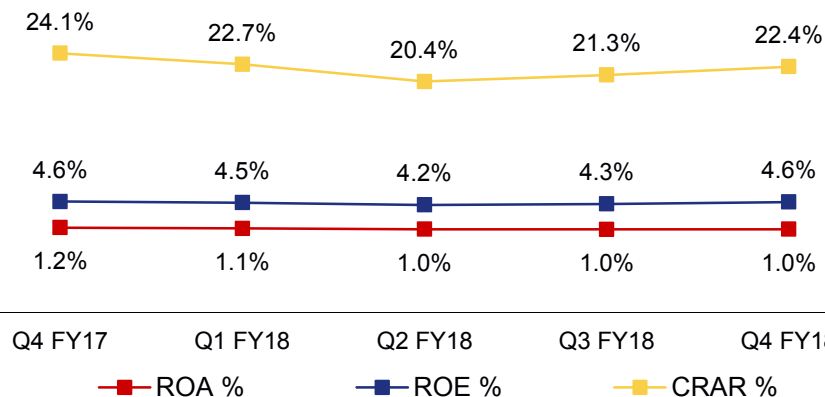
NIM Analysis (%)



Gross, Net NPA & SMA 2\*\* (%)



Return Ratios^ & Capital Adequacy (%)

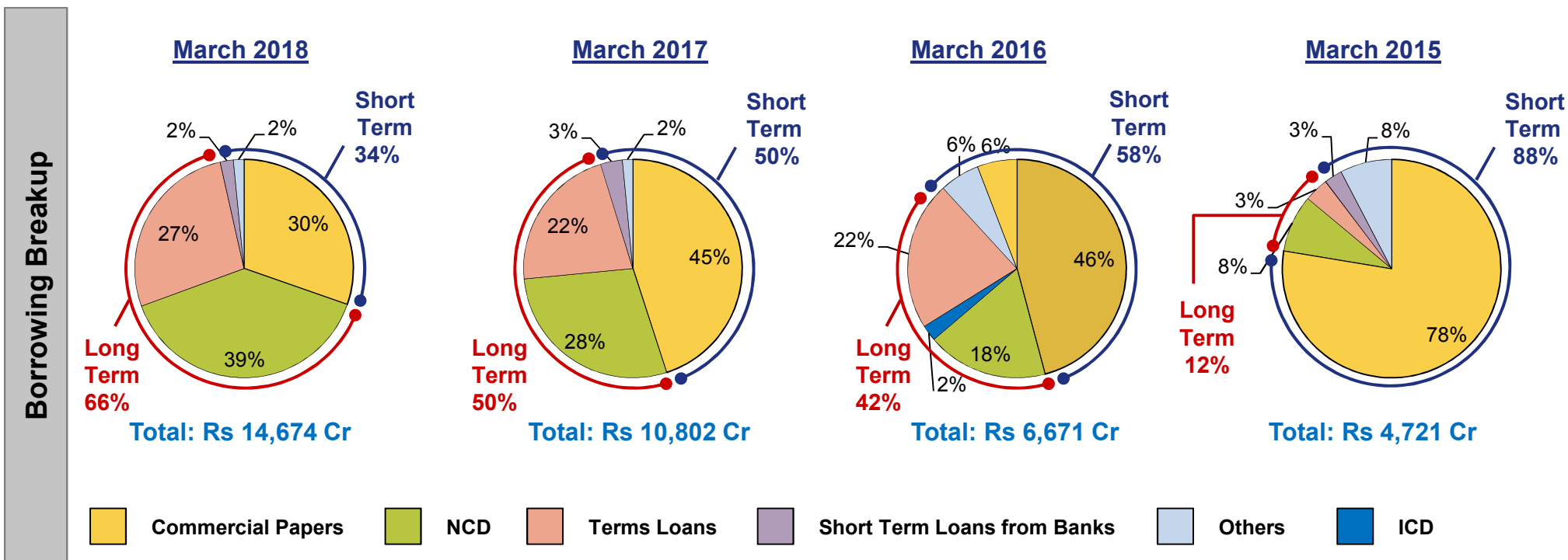


\* Loan book of Q2FY18 excludes IPO financing amounting to Rs.1,536 Cr

\*\* On lending book

^ROA and ROE Not annualized - ROA calculation – Total assets as on September 30, 2017 are considered net of IPO funding assets

# Borrowing Profile



## Strong Credit Rating:

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

Near term focus on diversifying sources of funds and lenders' profiles

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**Group Performance**

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**Group Overview**

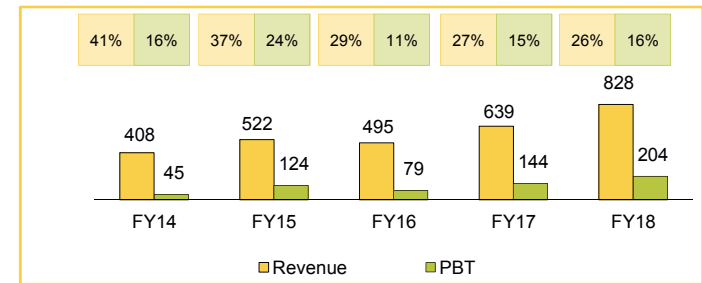
**Annexures**

# Sustainable Growth – Oriented Portfolio

Revenue & PBT in Rs. Cr.

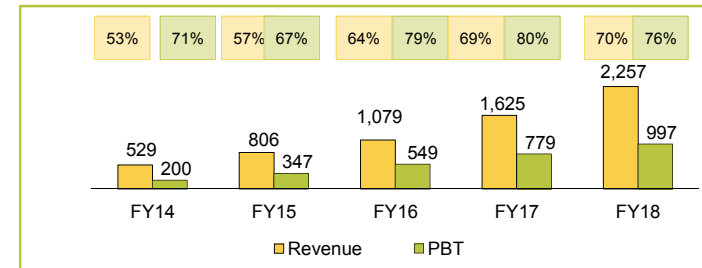
## Investment Banking, Securities and Wealth Management

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



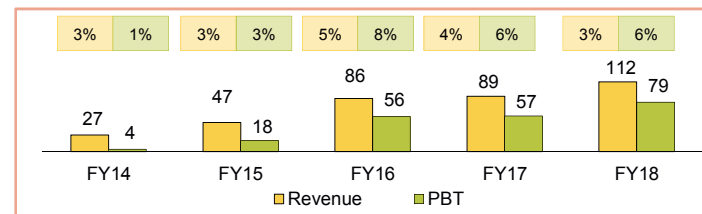
## Fund based activities

- Commercial Real Estate
- Corporate Credit and Structured Finance
- Margin Financing
- Loan against property
- Loan against Shares
- Broker Funding
- Debt Restructuring
- ESOP Funding
- Asset Reconstruction\*



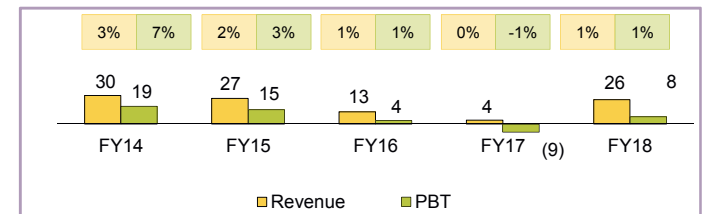
## Asset Management

- Mutual Funds



## Alternative Asset Management

- Real Estate Fund
- Private Equity Fund



\* ARC forming part of Fund based activity post it became subsidiary with effect from September 30, 2016.

% contribution of consolidated revenue

% contribution of consolidated PBT

# JM Financial Limited

In Rs Cr

## Fund based activities – Subsidiaries

### JM Financial Credit Solutions Ltd

	Q4 FY18	Q4 FY17
Revenue	268	223
Net Profit	93	79
Net worth	1,742	1,413
Loan book	7,339	5,658
Net Interest Margin	7.3%	8.7%
Total Assets	7,481	5,691
ROE	5.5%	5.7%
ROA	1.3%	1.5%
Debt / Equity Ratio	3.19	2.93
<b>Ownership</b>	<b>50.01%</b>	<b>50.01%</b>

### JM Financial Products Ltd

	Q4 FY18	Q4 FY17
Revenue	233	172
Net Profit	55	51
Net worth	1,496	1,343
Loan book	6,582	5,499
Net Interest Margin	4.1%	6.1%
Total assets	7,253	5,957
ROE	3.8%	3.8%
ROA	0.7%	1.0%
Debt / Equity Ratio	3.70	3.36
<b>Ownership</b>	<b>99.30%</b>	<b>99.27%</b>

### JM Financial Asset Recons. Co. Ltd

	Q4 FY18	Q4 FY17
Revenue	146	83
Net Profit	48	25
Net worth	967	580
AUM	12,965	11,874
Total assets	2,428	1,810
ROE	6.9%	4.5%
ROA	2.3%	1.5%
Debt / Equity Ratio	1.40	2.01
<b>Ownership</b>	<b>57.07%</b>	<b>50.01%</b>

## Fee Based activities – Subsidiaries

### IWS Business<sup>(2)</sup>

	Q4 FY18	Q4 FY17
Revenue	242	223
Net Profit	46	43
Loan book	862	164
Wealth AUM	31,808	23,664
Research Coverage	180+	169
Net worth + MI	729	639
ROE	6.5%	6.9%
<b>Ownership</b>	<b>100%</b>	<b>100%</b>

### Asset management

	Q4 FY18	Q4 FY17
Revenue	27	26
Net Profit	12	14
Quarterly Avg AUM	16,365	13,668
Net worth	185	221
ROE	5.9%	6.7%
<b>Ownership</b>	<b>59.54%</b>	<b>53.47%</b>

### Alternative asset management

	Q4 FY18	Q4 FY17
Revenue	6	1
Net Profit	1	-2
AUM	495	655
Net worth + MI	91	81
ROE	1.2%	-
<b>Ownership</b>	<b>100%</b>	<b>100%</b>

#### Note

- Figures mentioned above are based on standalone financials
- IWS Business - Investment Banking, Wealth Management and Securities Business

# JM Financial Limited

In Rs Cr

## Fund based activities – Subsidiaries

### JM Financial Credit Solutions Ltd

	FY18	FY17
Revenue	960	788
Net Profit	328	277
Net worth	1,742	1,413
Loan book	7,339	5,658
Net Interest Margin	8.0%	8.8%
Total Assets	7,481	5,691
ROE	20.8%	21.8%
ROA	5.0%	5.6%
Debt / Equity Ratio	3.19	2.93
<b>Ownership</b>	<b>50.01%</b>	<b>50.01%</b>

### JM Financial Products Ltd

	FY18	FY17
Revenue	908	706
Net Profit	213	197
Net worth	1,496	1,343
Loan book	6,582	5,499
Net Interest Margin	4.8%	5.8%
Total assets	7,253	5,957
ROE	15.0%	15.5%
ROA	3.2%	3.8%
Debt / Equity Ratio	3.70	3.36
<b>Ownership</b>	<b>99.30%</b>	<b>99.27%</b>

### JM Financial Asset Recons. Co. Ltd

	FY18	FY17
Revenue	388	224
Net Profit	108	55
Net worth	967	580
AUM	12,965	11,874
Total assets	2,428	1,810
ROE	16.9%	9.9%
ROA	5.4%	3.5%
Debt / Equity Ratio	1.40	2.01
<b>Ownership</b>	<b>57.07%</b>	<b>50.01%</b>

## Fee Based activities – Subsidiaries

### IWS Business<sup>(2)</sup>

	FY18	FY17
Revenue	828	639
Net Profit	143	95
Loan book	862	164
Wealth AUM	31,808	23,664
Research Coverage	180+	169
Net worth + MI	729	639
ROE	20.8%	15.9%
<b>Ownership</b>	<b>100%</b>	<b>100%</b>

### Asset management

	FY18	FY17
Revenue	112	89
Net Profit	57	44
Quarterly Avg AUM	16,365	13,668
Net worth	185	221
ROE	28.2%	22.2%
<b>Ownership</b>	<b>59.54%</b>	<b>53.47%</b>

### Alternative asset management

	FY18	FY17
Revenue	26	4
Net Profit	11	-9
AUM	495	655
Net worth + MI	91	81
ROE	12.5%	-
<b>Ownership</b>	<b>100%</b>	<b>100%</b>

#### Note

- Figures mentioned above are based on standalone financials
- IWS Business - Investment Banking, Wealth Management and Securities Business

# Segment performance

Segment revenue (Rs Cr)	Q4 FY18	Q3 FY18	QoQ	Q4 FY17	YoY
Investment Banking, Wealth Management and Securities Business	242	213	14%	223	9%
Fund Based Activities	648	576	12%	478	36%
Alternative Asset Management	6	10	N/M	1	N/M
Asset Management	27	38	-29%	26	6%
Others	70	31	127%	74	-6%
<b>Total Segment Revenue</b>	<b>993</b>	<b>868</b>	<b>14%</b>	<b>802</b>	<b>24%</b>
Less: Inter - segmental revenue	60	30	102%	77	-22%
<b>Total Revenue</b>	<b>933</b>	<b>838</b>	<b>11%</b>	<b>725</b>	<b>29%</b>
Segment PAT (Rs Cr)	Q4 FY18	Q3 FY18	QoQ	Q4 FY17	YoY
Investment Banking, Wealth Management and Securities Business	46	34	36%	43	8%
Fund Based Activities	127	109	17%	103	24%
Alternative Asset Management	1	11	N/M	-2	N/M
Asset Management	7	14	-47%	8	-8%
Others (including other operating income)	7	1	N/M	-1	N/M
<b>Total</b>	<b>189</b>	<b>168</b>	<b>12%</b>	<b>151</b>	<b>25%</b>

ARC figures in the statement of profit and loss are consolidated on line by line basis from October 1, 2016. The ARC was an "Associate" of JM Financial Limited till September 30, 2016.

# Segment performance

Segment revenue (Rs Cr)	FY18	FY17	YoY
Investment Banking and Securities Business	828	639	30%
Fund Based Activities	2,257	1,625	39%
Alternative Asset Management	26	4	N/M
Asset Management	112	89	26%
Others	254	213	19%
<b>Total Segment Revenue</b>	<b>3,478</b>	<b>2,570</b>	<b>35%</b>
Less: Inter - segmental revenue	243	211	15%
<b>Total Revenue</b>	<b>3,235</b>	<b>2,359</b>	<b>37%</b>

Segment PAT (Rs Cr)	FY18	FY17	YoY
Investment Banking and Securities Business	143	95	49%
Fund Based Activities	431	360	20%
Alternative Asset Management	11	-9	N/M
Asset Management	35	25	40%
Others (including other operating income)	12	-2	N/M
<b>Total</b>	<b>631</b>	<b>470</b>	<b>34%</b>



# Investment Banking, Wealth Management & Securities business

## Investment Banking

- ☑ Over 4 decades of leadership -  
• ECM / DCM / Corp. Fin. / M&A Advisory  
• Private Equity Syndication
- ☑ Innovative structuring and execution of complex, challenging deals and restructuring of corporate groups & businesses
- ☑ Strong long-term Indian Corporate relationships
- ☑ Strong track record of landmark M&A transactions
- ☑ Best-in-Class Execution Team with focus on client satisfaction

## Wealth Management

- ☑ Wealth AUM of **Rs 31,808 Cr** with strong team of **56** wealth advisors
- ☑ Presence - Mumbai, Delhi, Bangalore, Ahmedabad, Pune, Kolkata & Hyderabad
- ☑ Client-oriented approach, customised long-term asset allocation strategy, unbiased investment solutions
- ☑ Client service across all segments - Investment Banking, Corporate Finance etc.
- ☑ Focus on growing discretionary assets
- ☑ Strong network of IFDs  
Coverage of broking segment - **113** cities

## Securities business

- ☑ Worldwide institutional reach - dominant global & local institutional franchise
- ☑ Institutional distribution strength - We cover over 200 institutional investors across regions
- ☑ Institutional Equities offices at Singapore and New York
- ☑ Extensive research coverage of over 180 companies
- ☑ Lending book stood at Rs.862 Cr
- ☑ Avg. daily turnover in Q4 FY18 – Rs.5,972cr, (incl. cash segment of Rs.1,175cr)

Particulars (Rs Cr)	Q4 FY18	Q4 FY17	YoY %	Q3 FY18	QoQ %	FY18	FY17	YOY%
Net worth + MI	729	639	14%	680	7%	729	639	14%
Revenue	242	223	9%	213	14%	828	639	30%
Employee Cost	64	58	10%	56	14%	240	203	18%
Finance Cost	34	16	107%	36	-5%	122	55	123%
Other Expenses	74	80	-6%	72	2%	262	237	10%
PBT	70	69	1%	48	44%	204	144	42%
PAT	46	43	8%	34	36%	143	95	49%
ROE (%)	6.5%	6.9%		5.1%		20.8%	15.9%	

# Investment Banking, Wealth Management & Securities business

## Investment Banking

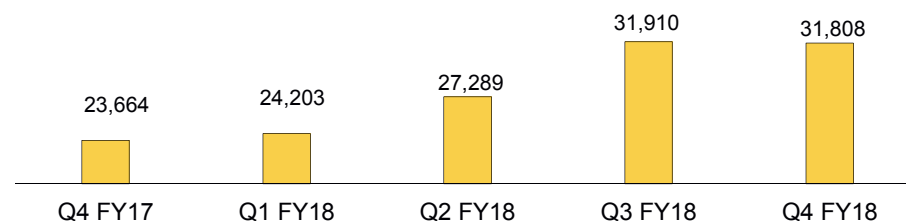
- Advisor to the Government of India on its 51.11% stake sale in Hindustan Petroleum Corporation Limited to Oil and Natural Gas Corporation Limited.
- Financial advisor to Tata Chemicals Limited on the sale of its urea and customised fertiliser business to Yara Fertilisers India Private Limited.
- Fairness opinion to the board of directors of Capital First Limited on the merger of Capital First Limited with IDFC Bank Limited.
- Fairness opinion to the board of directors of Adani Enterprises Limited on the demerger of the gas sourcing and distribution business of Adani Enterprises Limited into Adani Gas Limited.
- Bookrunning lead manager to the IPO of Bandhan Bank Limited (~Rs.4,473 Cr), Aster DM Healthcare Limited (~Rs.980 Cr), Galaxy Surfactants Limited (Rs.937 Cr)
- Bookrunning lead manager to the Qualified Institutions Placement ("QIP") of Housing Development Finance Corporation Limited (~Rs.1,896 Cr), Gayatri Projects Limited (~Rs.200 Cr), L&T Finance Holdings Limited (Rs.1,000 Cr) and Jindal Steel and Power Limited (Rs.1,200 Cr)

We have been ranked #1 in M&A League Tables for FY 2018 based on completed transactions\*.

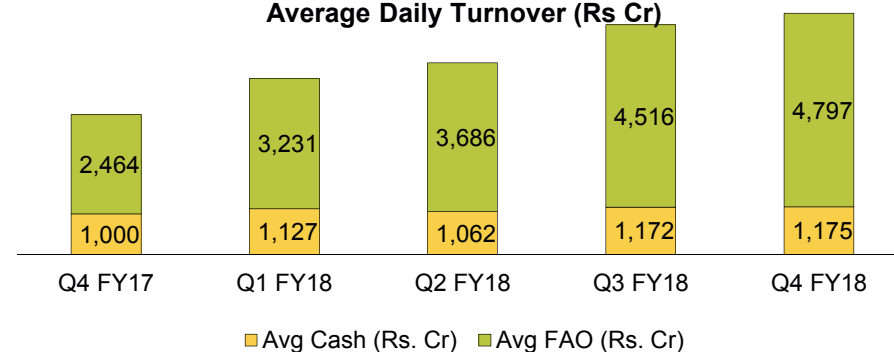
\* Source : mergermarket

## Wealth Management & Securities business

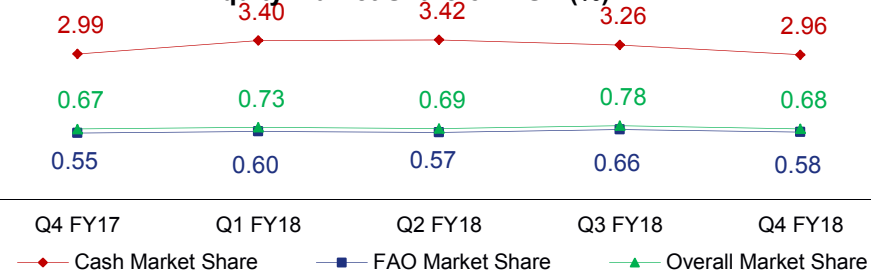
### Wealth Management AUM (Rs Cr)



### Average Daily Turnover (Rs Cr)



### Equity Market Share on NSE (%)



# Fund Based Activities – JM Financial Products

## Business Overview

- This business is undertaken by JM Financial Products Ltd. – 99.3% owned NBFC of the JM Financial Group.
- It enjoys the highest short-term credit rating of A1+ from CRISIL as well its “CRISIL AA/ Stable” rating for long term NCD issuances and bank loans.

### Lending to clients of traditional businesses

**Corporate clients**  
Loan book  
Rs.2,709 Cr

- Corporate loans
- Structured loans
- Bridge loans
- Acquisition financing
- Promoter loans

**Wealth Clients**  
Loan book  
Rs.1,671Cr

- Loan against Property
- Loan against Security
- ESOP Funding
- IPO Financing
- Broker Funding
- Margin Trade Funding

**RE Clients**  
Loan book  
Rs.1,827 Cr

- Overflow of loans from RE lending arm

### Lending to SME and Retail

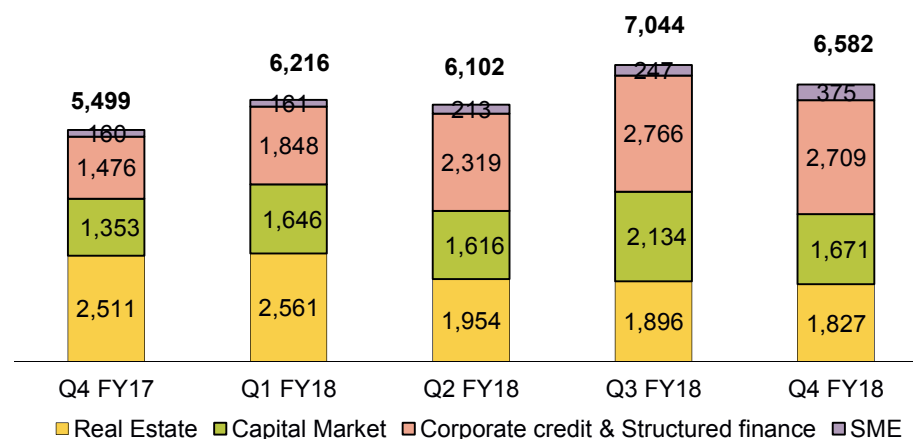
**SME Lending**  
Loan book  
Rs.375 Cr

- Loans to SME with robust credit analysis & recovery mechanism
- Education infrastructure loans

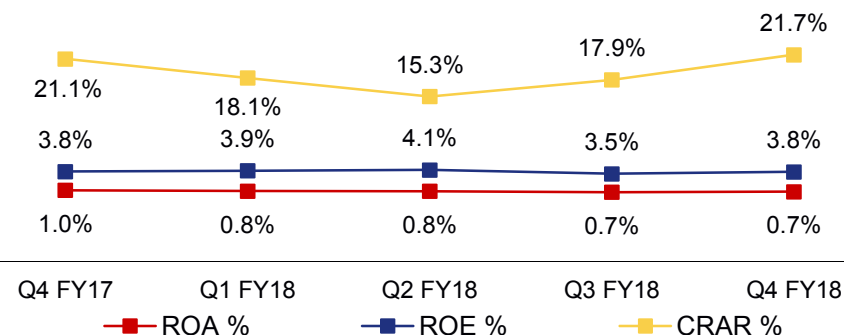
**Housing Finance**

- Provide home loans to retail customer with a focus on affordable segment (Received License from NHB)

## Loan Book\* (Rs Cr)



## Return Ratios\*\* & Capital Adequacy (%)



NBFC is notified under SARFAESI Act

\* Loan book as of Q2FY18 excludes IPO financing amounting to Rs.1,536 Cr

\*\* RoA is Net of assets related to IPO funding

# Update on New Initiatives

## HFC Business

- Received license from National Housing Bank (NHB) in November 2017 and commenced operations in December 2017 with a focus on affordable housing
- Have set up 5 clusters across Maharashtra and Gujarat
- Received 1,000+ applications with a value Rs 100 Cr + during four months of operations. We have sanctioned 400 applications worth Rs 40 Cr +
- We disbursed 250+ loans amounting to approx. Rs 20 Cr. Average ticket size of loans is < Rs 10 lakhs and average yield of approx. 11.5%

## SME Business

- **SME Lending**
  - 63 MM\* MSMEs contributing about 8% of India's GDP, 45% of total manufacturing output and 40% of the total exports from India. Financing gap of over Rs 2.93 lakh Cr
  - SME lending business operational in Mumbai, Ahmedabad, Chennai and Pune
- **Education Institutions lending**
  - Private education infra to see an investment of over 13 lakh Cr by 2030 with close to 70% of it focused around private school infra expansion.
  - Business focus on affordable and growing private institutions with operations in Western and Southern Indian region. Loans to Education Institutional segment primarily for brown-field infrastructure expansion secured by primary income generating asset
- **NBFC Funding**
  - The growth of NBFCs in the Indian credit market is expected to grow
  - Funding to NBFCs that have solid understanding of customers, track record of product innovation, efficient delivery systems, and differentiated value proposition with 5 year plus vintage

# Fund Based Activities – JM Financial Credit Solutions

## Business Overview

- This business is undertaken by JM Financial Credit Solutions Ltd. – 50.01% owned NBFC of the JM Financial Group.
- Vikram Pandit & Associates own 49.99% stake in form of a long-term strategic partnership.



Provides an integrated financial solution to real estate developers with major focus on real estate project financing.



Lending book has grown from Rs 1,844 cr in the beginning of FY16 to Rs.7,339 cr as on March 31, 2018.

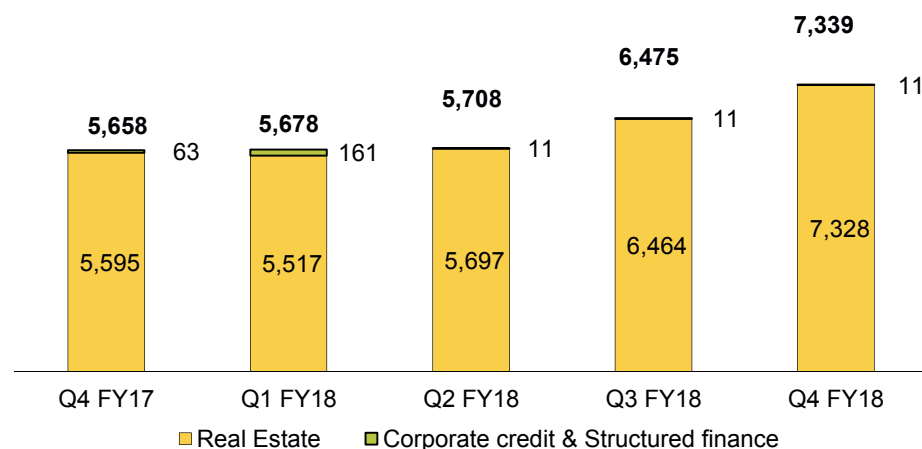


- 77 groups – significant focus on repeat business
- Most of the clients with over 25 years of experience in the industry
- Focus on Tier I markets – Mumbai, Bengaluru, Pune and Chennai – Loan disbursements of 42.5% in Mumbai, 21.4% Bengaluru, 11.4% Chennai, 8.5% Pune, 5.4% NCR and 10.8% others
- 85.1% of the book is cashflow backed lending
- 78.7% of the book is against residential projects

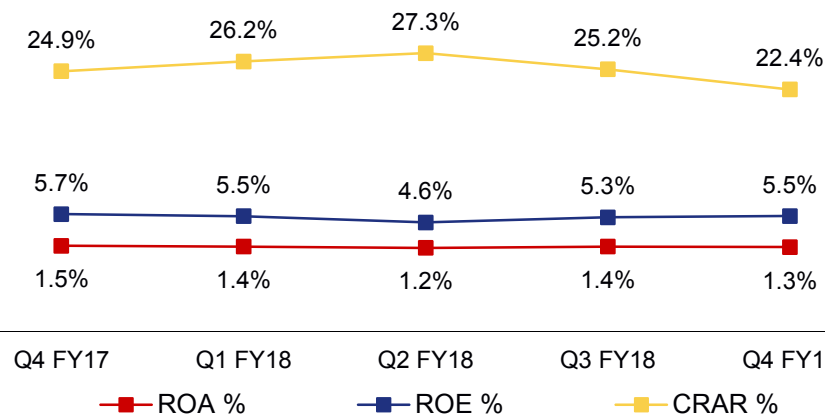


Prominent Relationships with reputed builders.

## Loan Book (Rs Cr)



## Return Ratios & Capital Adequacy (%)



# Fund Based Activities – Asset Reconstruction

## Business Overview



Long Term Credit Rating of AA- and Short Term Credit Rating of A1+ by ICRA & CARE. Comfortable gearing of 1.40x with ~70% medium / long term debt type



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



Current AUM of ~Rs 12,965 Cr comprising Corporate Accounts and Corporate/SME/ Retail Portfolios



Business related activities such as Financial & Legal due diligence for acquisitions, resolutions and document storage etc are conducted by only in-house resources and not outsourced



Focus on Restructuring and Revival of Corporate Accounts.

## Long Term Positive Drivers



- The various initiatives taken by regulatory authorities shall lead to increase in bad loans due to slippages from the SMA category thereby increasing opportunities for ARCs to participate in the NPA market.

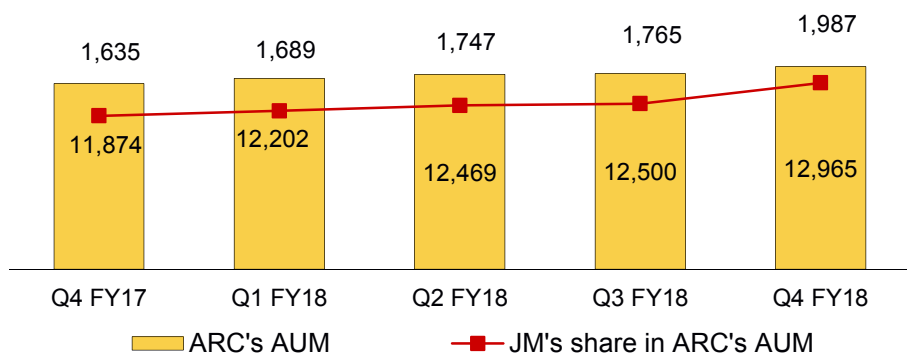


- The RBI vide its circular dated Feb 12, 2018 withdrew all the restructuring schemes (CDR, SDR, S4A, 5:25) and got in place a time bound process for resolution of bad loans in consonance with IBC w.e.f March 01,2018.
- The new norms direct Banks to start Insolvency proceedings on accounts with debt of Rs.2,000 Crore and more if stress is not resolved within 180 days\*
- This move will bring in more transparency, also early warnings and resolutions will result in a higher probability of turnaround or timely asset sell-off of distressed accounts.

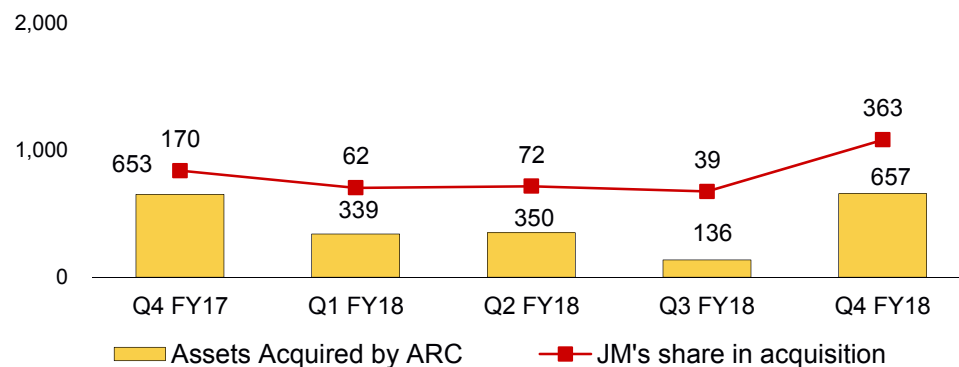
\* Further details as per RBI guidelines dated February 12,2018 on Resolution of Stressed Assets – Revised Framework

# Asset Reconstruction

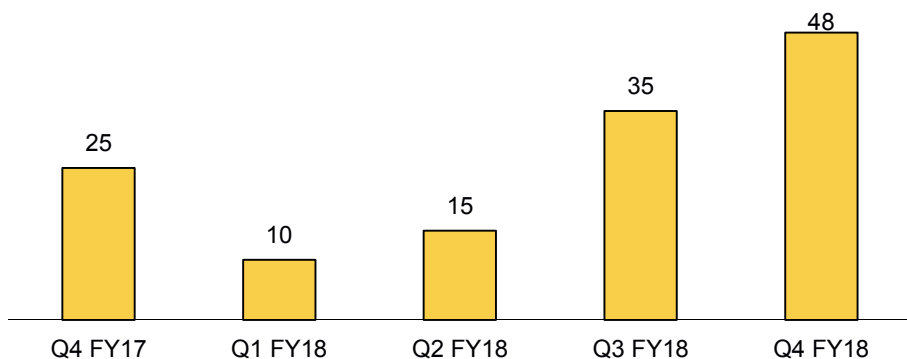
**AUM (Rs Cr)**



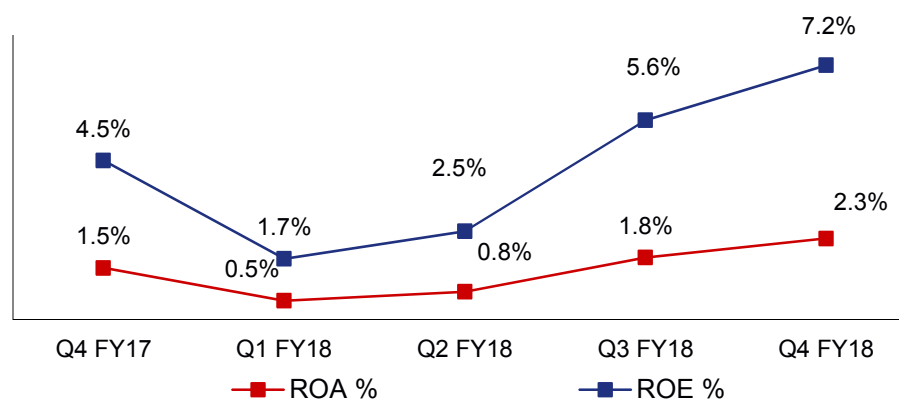
**Asset Acquisitions (Rs Cr)**



**Net Profit (Rs Cr)**



**Return Ratios (%)\***



\* ROA and ROE Not annualized

# Fund Based Activities

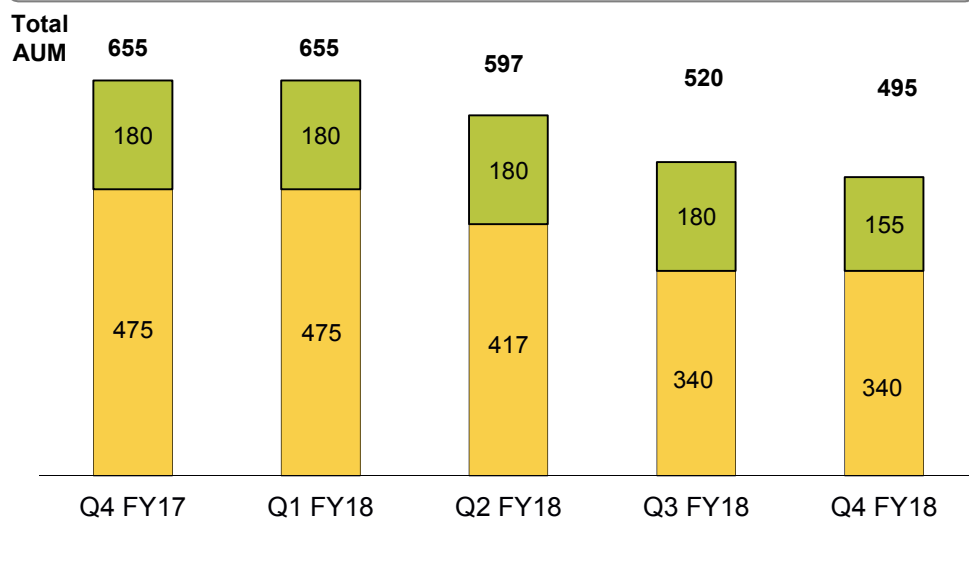
Particulars (Rs Cr)	Q4 FY18	Q4 FY17	YoY %	Q3 FY18	QoQ %	FY18	FY17	YoY %
<b>Net worth + MI</b>	<b>4,203</b>	<b>3,241</b>	<b>30%</b>	<b>3,635</b>	<b>16%</b>	<b>4,203</b>	<b>3,241</b>	<b>30%</b>
<b>Loan Book</b>	<b>13,909</b>	<b>11,179</b>	<b>24%</b>	<b>13,452</b>	<b>3%</b>	<b>13,909</b>	<b>11,179</b>	<b>24%</b>
<b>Security Receipts (ARC)</b>	<b>1,987</b>	<b>1,635</b>	<b>21%</b>	<b>1,765</b>	<b>13%</b>	<b>1,987</b>	<b>1,635</b>	<b>21%</b>
Gross revenue	648	478	36%	576	12%	2,257	1,625	39%
Interest Expense	271	193	40%	251	8%	1,000	707	41%
<b>Net Interest Income</b>	<b>377</b>	<b>285</b>	<b>32%</b>	<b>325</b>	<b>16%</b>	<b>1,257</b>	<b>918</b>	<b>37%</b>
Operating Expenses	35	35	-1%	53	-34%	179	120	49%
Provisions / Bad Debts	41	10	300%	12	253%	81	19	319%
<b>PBT</b>	<b>301</b>	<b>239</b>	<b>26%</b>	<b>260</b>	<b>16%</b>	<b>997</b>	<b>779</b>	<b>28%</b>
Tax	106	84	27%	91	17%	349	271	29%
<b>PAT before Minority Interest</b>	<b>195</b>	<b>156</b>	<b>25%</b>	<b>169</b>	<b>15%</b>	<b>648</b>	<b>508</b>	<b>28%</b>
Share of Profit from Associates	-	-	-	-	0%	-	11	-100%
Minority Interest	-68	-53	28%	-61	12%	-217	-158	37%
<b>PAT after Minority Interest</b>	<b>127</b>	<b>103</b>	<b>24%</b>	<b>109</b>	<b>17%</b>	<b>431</b>	<b>360</b>	<b>20%</b>

\*ARC figures in the statement of profit and loss are consolidated on line by line basis from October 1, 2016.  
The ARC was an "Associate" of JM Financial Limited till September 30, 2016.



# Alternative Asset Management

Alternative Asset Management AUM (Rs Cr)



## Private Equity:

- AUM on March 31, 2018 – Rs 340 Cr.
- No. of investments – 13.
- No. of Exits – 7 full 2 partial
- Fully drawn down & invested
- Amount distributed till date – Rs 930 Cr.
- PE fund II has received SEBI registration as Cat II – AIF, and in process of raising capital

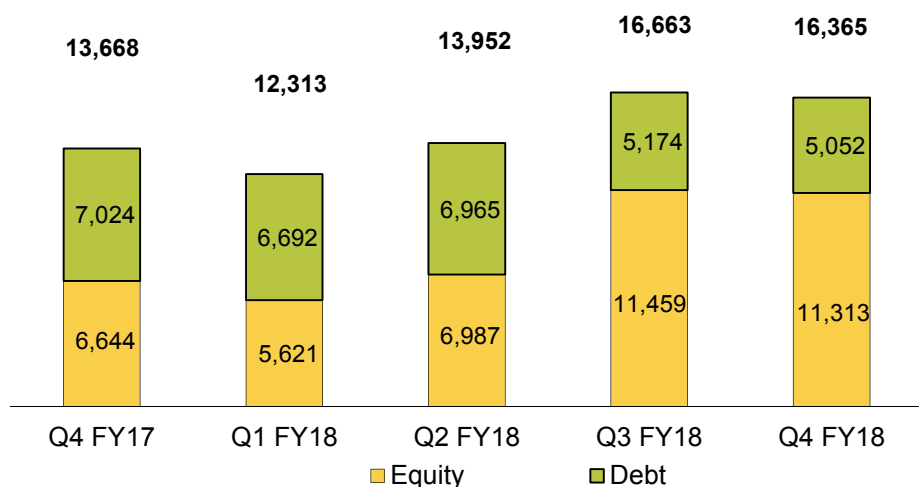
## Real Estate:

- AUM on March 31, 2018 – Rs 155 Cr.
- No. of investments – 16.
- No. of Exits – 7 full and 2 part.
- Fully drawn down & invested
- Amount distributed till date – Rs 290 Cr.

Particulars (Rs Cr)	Q4 FY18	Q4 FY17	YoY %	Q3 FY18	QoQ %	FY18	FY17	YOY%
Net worth + MI	91	81	13%	90	1%	91	81	13%
Revenue	6	1	N/M	10	-65%	26	4	N/M
Finance Cost	0	0	N/M	0	N/M	5	5	N/M
Other Expenses	6	3	115%	1	N/M	13	5	4%
PBT	-0	-2	-	9	-	8	-9	-
PAT	1	-2	-	11	-	11	-9	-

# Asset Management

## Asset Management AUM (Rs Cr)



**Note:**  
Equity AUM for Q4 FY18 include arbitrage fund of Rs.3,602 Cr

## Mutual Fund:

- Quarterly Average AUM (QAAUM) – Rs 16,365 cr.
- Rank (QAAUM) – 19 among 41 Mutual Funds.
- Market Share – 0.71%.
- 15 Schemes categorized as Long Term Debt, Short Term Debt, Balance, Equity Arbitrage and Equity.
- Investor reach – 1,23,220 base, 14 branches & 81 service centres.

Particulars (Rs Cr)	Q4 FY18	Q4 FY17	YoY %	Q3 FY18	QoQ %	FY18	FY17	YOY%
Net worth + MI	193	229	-16%	220	-12%	193	229	-16%
Revenue	27	26	6%	38	-29%	112	89	26%
Employee Cost	6	4	49%	5	20%	24	22	8%
Other Expenses	2	3	-24%	2	-8%	9	10	-7%
PBT	19	19	0%	31	-39%	79	57	38%
PAT	12	14	-18%	22	-47%	57	44	29%
Minority Interest	-5	-7	-28%	-9	-47%	-24	-21	16%
Share of Profit from Associates	0	0	6%	0	-32%	1	1	8%
PAT after Minority Interest	7	8	-8%	14	-47%	35	25	40%
ROE (%)	5.8%	6.7%		10.8%		27.7%	22.2%	

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**Group Performance**

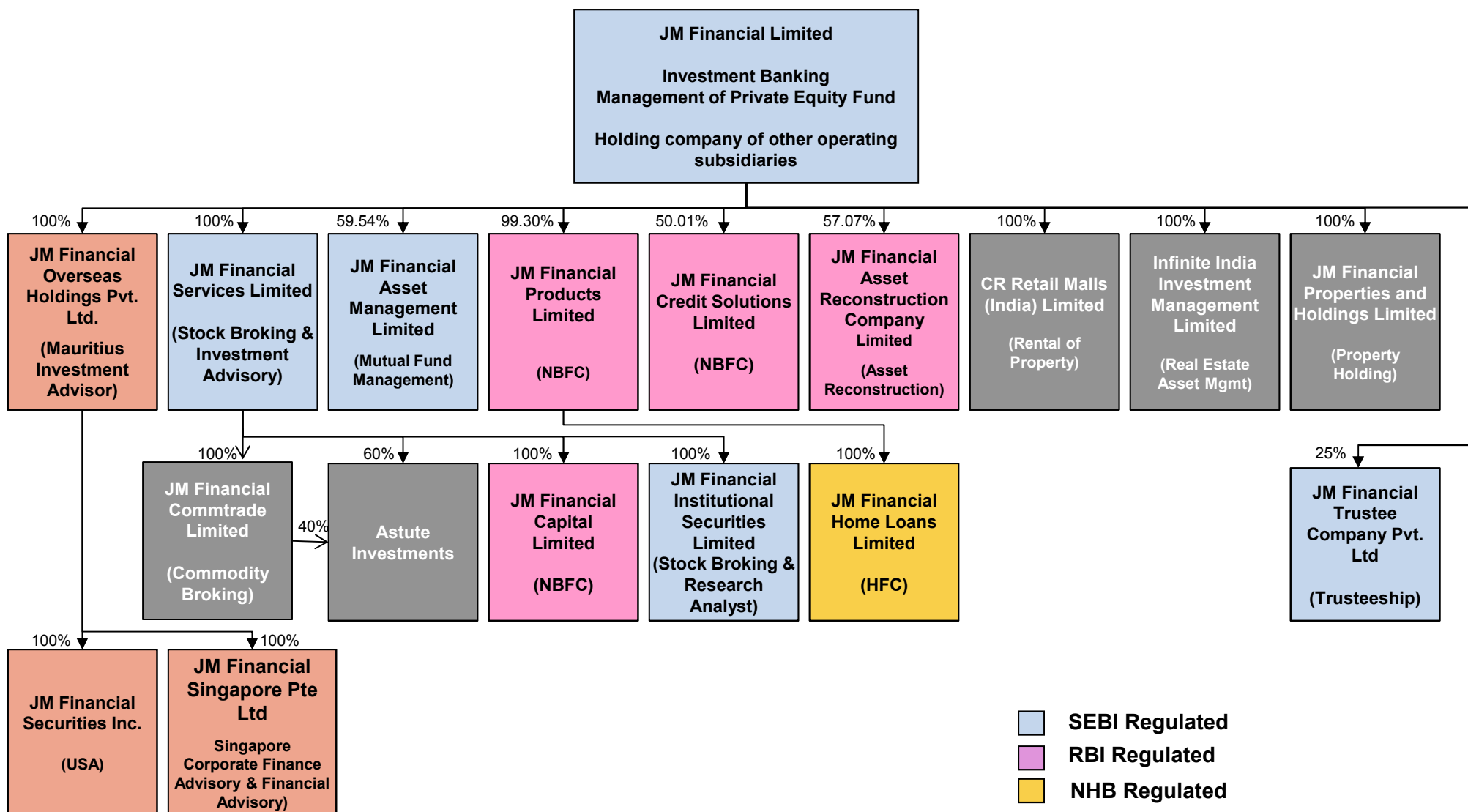
**Business Performance**

**Group Structure and Shareholding Pattern**

**Group Overview**

**Annexures**

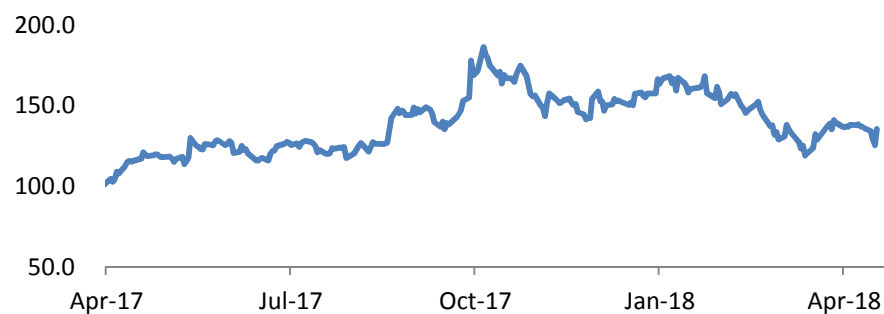
# Organisational Structure



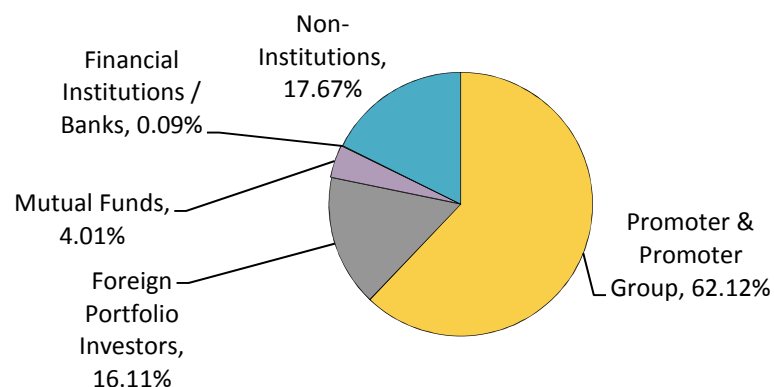
- SEBI Regulated
- RBI Regulated
- NHB Regulated
- Companies outside India
- Others

# Shareholding Summary

## Share Price Information



## % Shareholding – March 31, 2018



Source – Company

## Market Information (BSE)

As on 30.04.2018

Market Capitalization (Rs Cr)	11,906
Price (Rs)	142.1
No. of Shares Outstanding (Cr)	83.78
52 Week High-Low (Rs)	191.60-112.05

## Key Institutional Investors – As on March 31, 2018

% Holding

Valiant Group	2.81
Baron Emerging Markets Fund	2.42
TIMF Holdings	1.86
Azim Premji Trust	1.83
IDFC Premier Equity Fund	1.48

# Table of Contents

**Group Performance**

**Business Performance**

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**Group Overview**

**Annexures**

# Key Milestones

## We have taken many pioneering initiatives in the Indian financials market space

### 1973 – 1986

#### 1973:

- JM Financial & Investment Consultancy Services established in Mumbai.

#### 1979-1980 :

- Filed **First** offer document for listing securities of an Indian client with FSA, London.
- **First** to introduce fully convertible debentures in Indian capital markets.

#### 1986:

- JM Financial Limited (holding company) incorporated to engage in the business of Stock Broking and Securities.

### 1997 – 2006

#### 1999 :

- Formed a joint venture with Morgan Stanley in the areas of Investment Banking and Securities business.

#### 2002-2006 :

- Managed India's **first** IPO through Book Building.
- Recorded **3 firsts** in India - first Indian dual tranche FCCB issue, first billion dollar IPO, first conditional IPO.
- Launched Private Equity Fund.

## OUR JOURNEY – EVOLUTION INTO A FULL-FLEDGED DIVERSIFIED FINANCIAL SERVICES FIRM

### 1987-1996

#### 1987-1996 :

- **First** to introduce equity warrants in the Indian capital markets.
- **First** to introduce Deep Discount Bond in Indian capital markets.
- Managed four transactions of Securities Offerings in excess of Rs. 100 cr each, a size unmatched till then in Indian markets.
- JM Financial Asset Management, the **first** private sector Mutual Fund, commenced operations.

### 2007-2018

#### 2007:

- Separated from joint venture with Morgan Stanley
- Acquired ASK Securities - a Institutional Securities Firm
- Launched Real Estate Fund

#### 2008-18:

- Managed India's first IDR issue
- Expanded business in International Jurisdictions and operations in Fixed Income business
- Commenced Asset Reconstruction Business
- Established step down subsidiary in the USA to cater to and service overseas clients/investors
- Announced Real Estate NBFC in partnership with an fund managed Mr. Vikram Pandit & Associates
- Announced the appointment of Mr. Vishal Kampani as MD of JM Financial Ltd; and Mr. Nimesh Kampani continues to be the non-executive Chairman of the Group and a director on the Board of Directors of a few Group Companies at JM Financial
- Floated Housing Finance Company (HFC) and received licence from NHB
- Commenced SME Lending Business
- Raised Rs.650 crore through QIP

# 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 (India), 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 strategic advisory board of Atos India Pvt Ltd, and senior advisor to Sony group in India.
- 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
- 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**

# CSR – Integrated Rural Transformation Programme

## Jamui District, Bihar

### Education

- **Project Bachpan** – 4 learning centers in Sikandra block with 100 students' (3 – 6 years) daily attendance being consistently high
- Activity-based teaching leads to child-centric learning; children understand age-appropriate concepts
- *Two additional centers planned as a scale up owing to community demand*

### Livelihoods

- **Shri Vardhmann Mahila Griha Udyog** – Small-scale kitchen-based women's production unit initiated in Dec 2017 in Sikandra block
- 18 women started with producing 25 *khakhras* a day. Current production capacity – Minimum 100 pieces per day
- *Formal SHG/Producer Company structure in pipeline*

### Livelihoods

- **Integrated Livestock Development Center (ILDC) Project** in Sikandra, Chakai & Jhajha blocks. All 21 centers set up and operational from March 2018.
- 24\*7 animal husbandry & veterinarian healthcare services provided by Gopals (trained rural para-vets) to cattle owners - Over 250 AIs & 2,225 vaccinations conducted

### Integrated Development

- **Model Village Development Project** initiated with an objective of undertaking intensive & holistic development in 5 priority areas – Entitlements, Livelihoods & Alternate agriculture, Education, Water & sanitation, & holistic health
- Target : 3,474 households across 13 villages in Sikandra block

## Giridih District, Jharkhand

### Strengthening Public Healthcare

- **First Referral Unit (FRU) Project** in Dumri block – 10 months since project inception
- Maternal & child healthcare services strengthened with fixed OPD hours, duty rosters, appointment of gynecologists to conduct C-section & installation of waste management system
- Average 86 gynec. OPDs, 803 pediatric OPDs conducted per month
- **Mobile Health Unit (MHU) Project** – 6 months completed since project inception
- Daily operations from Monday to Saturday (8.00 am to 4.00 pm) in 24 remote villages of Dumri & Pirtand blocks, based on a pre-determined monthly schedule
- 11,633 OPDs so far; 3,546 beneficiaries reached out to through counselling & health awareness sessions

## Palghar District, Maharashtra

### Comprehensive Village Development

- **Comprehensive Village Development Project** in Palghar – Planned in Jawhar & Mokhada blocks
- Scientific research conducted between Oct & Nov 2017
- Detailed research findings shared for a sample of 1,749 households in Literacy, Water & sanitation, Livelihoods. Health & nutrition, SHG & livestock rearing, and public schemes accessibility
- *Project planned on the basis of research findings to take shape with District Govt. functionaries with an intensive & holistic intervention*



# JM Financial Foundation – Giving & Ongoing Activities

## Education

Support was extended for school infrastructure to facilitate education for students in rural areas. Continued care was extended to individuals with intellectual disability, by way of providing therapy & training to improve their abilities

## Healthcare

Two eye-care hospitals in rural areas were supported to provide services to the local residents as well as persons from surrounding villages. The Foundation partnered with an organization to provide medical support to patients requiring surgeries due to life threatening illnesses. Medical camps for diagnosis and treatment were also organized in a rural hospital to benefit the sick. Promotion of Ayurved as alternative medicine was also encouraged in this quarter

## Sports Promotion

The Foundation partnered with an organization to provide expert training to athletes to enable them to participate in the Olympic games & make our country proud

## Animal care

The project for the conservation of the endangered and enigmatic snow leopard in their natural habitat in the state of Jammu and Kashmir., continued onto its 3rd year. This support has helped reduce human conflict, enabled the villagers to co-exist peacefully with wildlife and also sensitized them towards the pressing need to contribute in preserving our ecological balance

## Promotion of music & culture

Our rich heritage & culture is maintained by reaching out to a large audience in the form of musical performance of various artists

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**Group Performance**

**Business Performance**

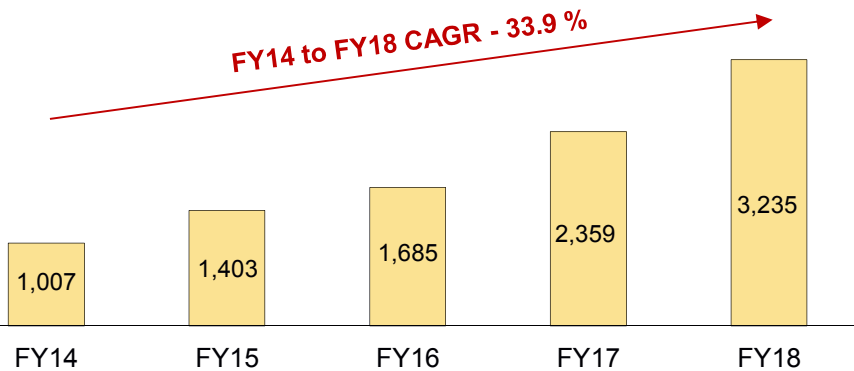
**Group Structure and Shareholding Pattern**

**Group Overview**

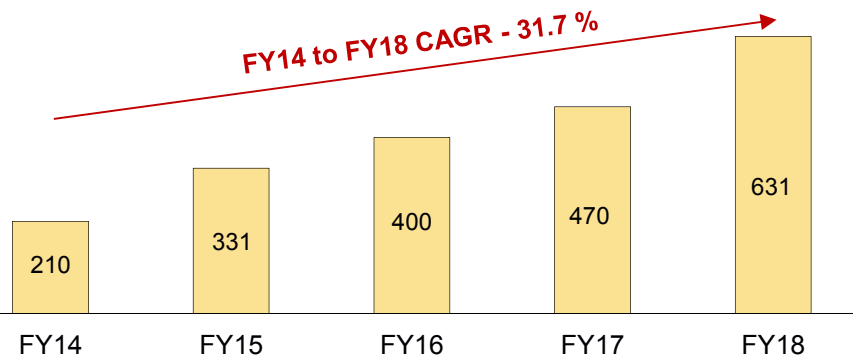
**Annexures**

# Financial Summary – Consolidated Financials

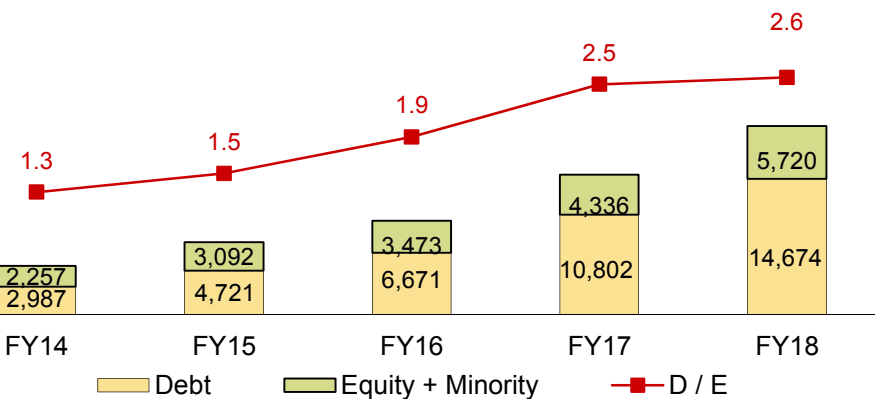
Gross Revenues (Rs Cr)



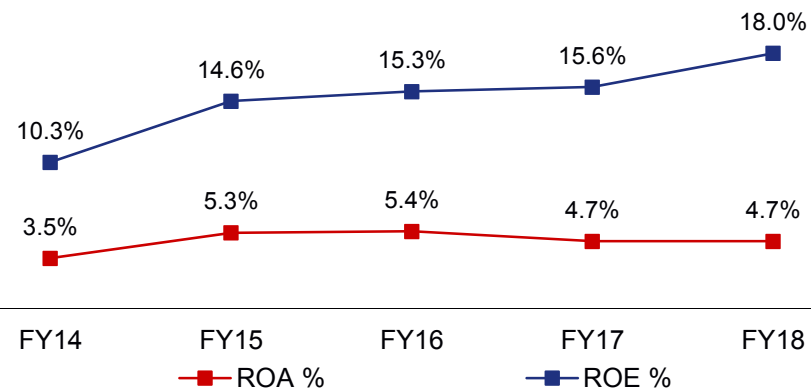
Net Profit (Rs Cr)



Leverage Analysis (Rs Cr)

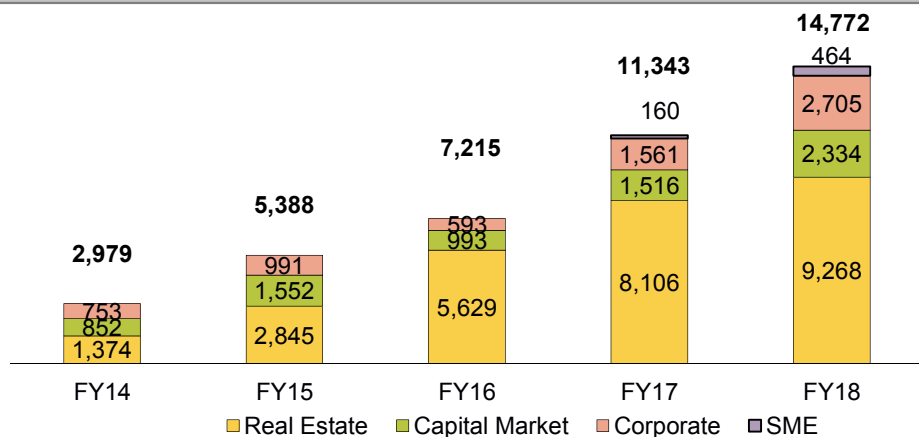


Return Ratios (%)

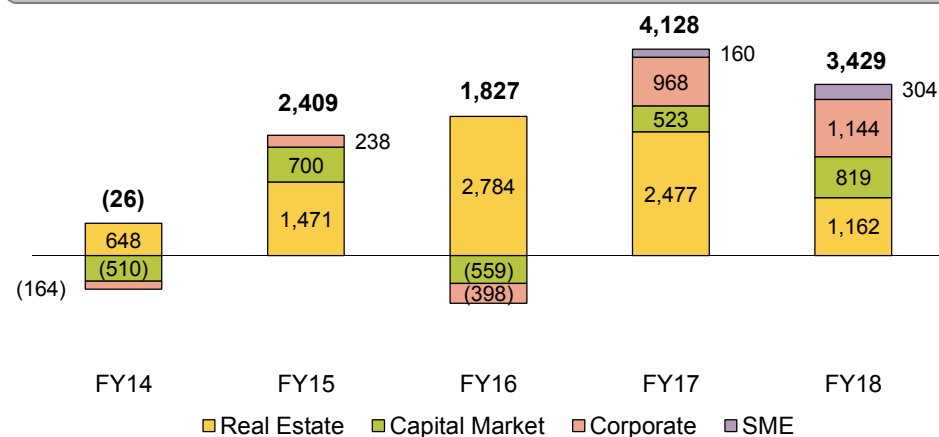


# Financial Summary – Lending Book

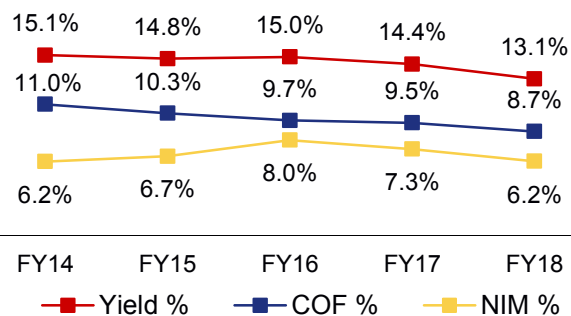
### Loan Book (Rs Cr)



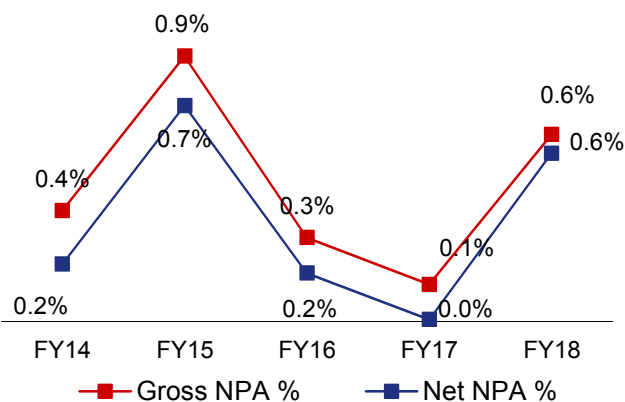
### Net Disbursements (Rs Cr)



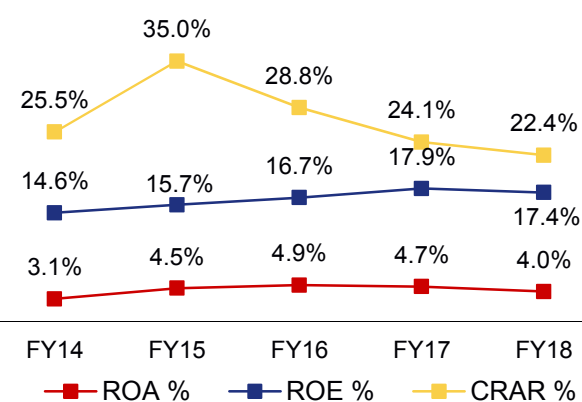
### Spread Analysis (%)



### Gross & Net NPA (%)

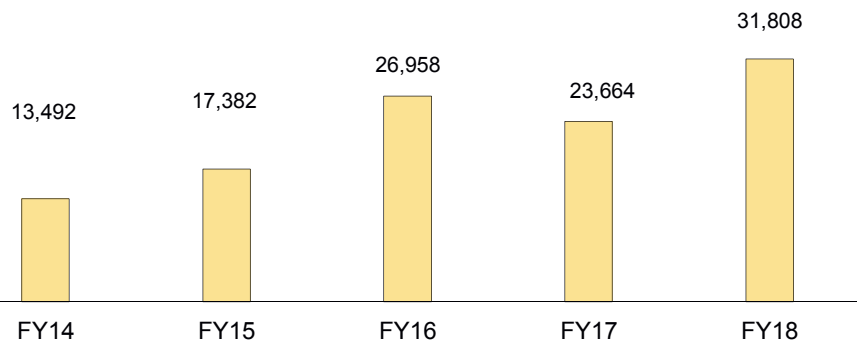


### Return Ratios & Capital Adequacy (%)

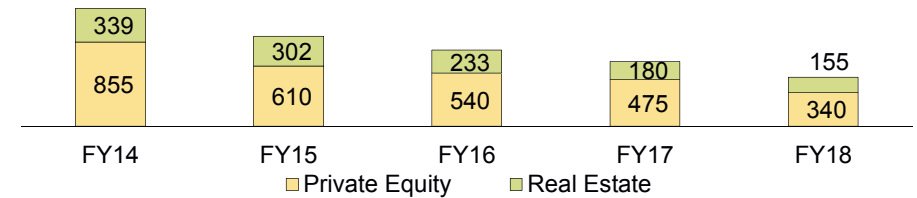


# Financial Summary – Wealth Management, Alternative Asset Management, Asset Management, Asset Reconstruction

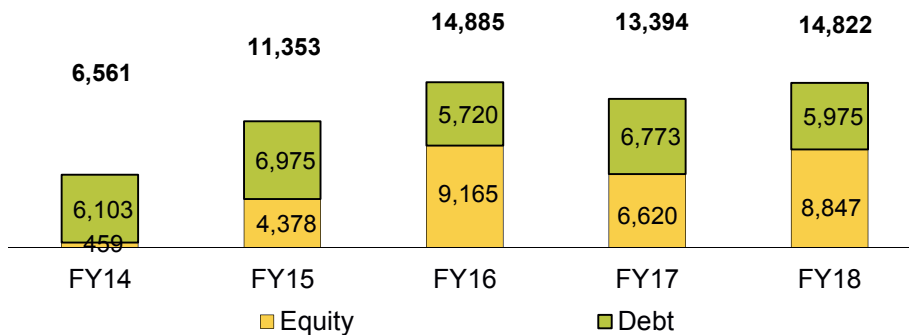
**Wealth Management AUM (RS Cr)**



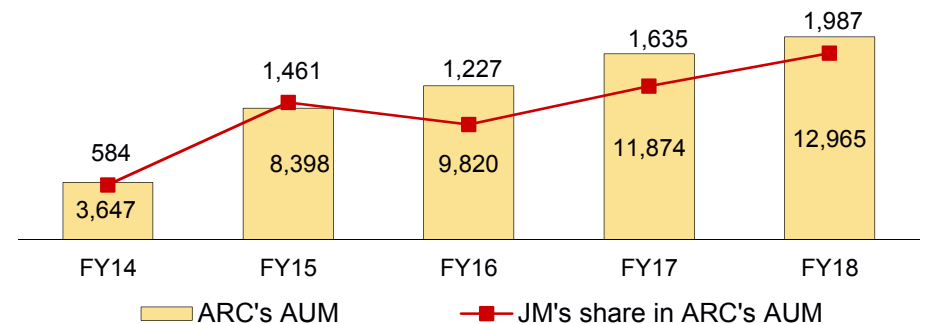
**Alternative Asset Management AUM (Rs Cr)**



**Asset Management AUM (Rs Cr)**



**ARC AUM (Rs Cr)**



## For Further Queries -

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Group CFO

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