



## **JM Financial Limited**

Quarter ended December 31, 2018 – Results update

*January 23, 2019*

# 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.*

*The Financial Results of the Company commencing from April 1, 2018 are being prepared in accordance with the applicable Indian Accounting Standards, whereas the Financial Results till March 31, 2018 were being prepared as per the applicable Indian GAAP. Due to the above change, figures for the period prior to March 31, 2018 are not comparable with the figures post April 1, 2018. Similarly, the figures wherever appearing in the corporate presentation for the period prior due to implementation of the Ind As are not comparable with the figures post April 2018.*

# Key implications on financial statements upon migration to Ind AS

## Expected Credit Loss (ECL)

Under the ECL model, the loan loss provision is made on the basis of the loan book's historical loss experience and future expected credit loss depending on the credit quality assessment. ECL adjustment has had a negative impact on our network and on this quarter's profits

## Amortization of fee income and cost under effective interest rate (EIR)

Fees generated on loans originated and the corresponding costs including processing fees incurred on borrowings have been amortized over the life of the loan / period of service. This has resulted in temporary deferral of revenue and cost recognition. This has resulted in a negative impact on our network and a marginal negative impact on our profits for this quarter

## Fair value implications on financial assets

On the date of transition, all financial assets have been recorded in the balance sheet at fair value. The impact of fair valuation of financial assets, post initial recording in the balance sheet has been accounted through the statement of profit and loss. FVTPL has had a positive impact on our network

## Consolidation of trusts in the Distressed Credit Business

The trusts where we have a controlling interest have been consolidated after fair valuing the assets held by each of those trusts. This has had a positive impact on our network

## Segment re-classification

As per Ind AS, considering that the views of the management have precedence over the erstwhile risks and rewards model, segments have been reported based on management's evaluation of financial information for allocating resources and assessing performance

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# Key Highlights – Consolidated Performance – Ind AS

	Revenues	PBT	Net Profit	Adjusted Net Profit*	EPS	BVPS	Gross Debt / Equity <sup>#</sup>
Q3 FY19	901 Cr	342 Cr	137 Cr	142 Cr	1.64	60.01	2.15x
	↑ 11.8%	↑ 4.3%	↓ -12.6%	↓ -11.7%	↓	↑	↓
Q3 FY18	806 Cr	328 Cr	157 Cr	160 Cr	1.97	46.81	2.83x

	Revenues	PBT	Net Profit	Adjusted Net Profit*	EPS	ROA**	ROE**
9M FY19	2,729 Cr	1,038 Cr	444 Cr	482 Cr	5.28	3.6%	12.4%
	↑ 18.3 %	↑ 11.9%	↑ 1.9 %	↑ 11.8 %	↓	↓	↓
9M FY18	2,306 Cr	928 Cr	435 Cr	431 Cr	5.46	4.4%	16.5%

\* Adjusted for diminution / (gain) in fair value of investments (excluding security receipts) and is based on management reports and have not been subjected to review or audit

\*\* annualized

# Equity includes minorities

Numbers related to Q3FY18, 9MFY18 and balance sheet related numbers as on Dec 2017 are based on management reports and have not been subjected to review or audit

# Consolidated Profit & Loss Statement – Ind AS

Particulars (Rs Cr)	Q3FY19	Q3FY18	YoY %	Q2 FY19	QoQ %
<b>Gross Revenue<sup>1</sup></b>	<b>901</b>	<b>806</b>	<b>11.8%</b>	<b>976</b>	<b>-7.7%</b>
Finance cost	378	297	27.4%	381	-0.8%
Provisions*	7	8	-12.3%	23	-70.2%
Employee cost	99	99	0.6%	113	-12.3%
Depreciation	7	7	4.4%	7	0.9%
Other expenses	68	68	-1.1%	72	-6.5%
<b>PBT</b>	<b>342</b>	<b>328</b>	<b>4.3%</b>	<b>380</b>	<b>-9.9%</b>
Tax Expense <sup>2</sup>	121	110	10.5%	139	-13.1%
<b>PAT</b>	<b>221</b>	<b>218</b>	<b>1.2%</b>	<b>240</b>	<b>-8.0%</b>
Share in profit of Associates	#	1	N/M	#	N/M
<b>Net profit before Minority Interest</b>	<b>221</b>	<b>219</b>	<b>0.8%</b>	<b>240</b>	<b>-8.0%</b>
Minority Interest	-84	-62	35.0%	-77	8.7%
<b>Net profit</b>	<b>137</b>	<b>157</b>	<b>-12.6%</b>	<b>163</b>	<b>-15.9%</b>
<b>Adjusted Net Profit**</b>	<b>142</b>	<b>160</b>	<b>-11.7%</b>	<b>177</b>	<b>-19.9%</b>

# amount less than Rs. 1 crore

\*includes provision on account of Expected Credit Loss(ECL)

\*\*Adjusted for diminution / (gain) in fair value of investments (excluding security receipts) & is based on management reports & have not been subjected to review or audit

1. Includes diminution in fair value of investments (excluding security receipts) amounting to ~ Rs.5 Cr for Quarter ended Dec 31, 2018 and ~Rs.3 Cr for quarter ended Dec 31, 2017

2. On a conservative approach, group does not create deferred tax assets on any diminution due to change in fair value of investments, hence average tax rate is higher

Numbers related to Q3FY18 are based on management reports and have not been subjected to review or audit

# Consolidated Profit & Loss Statement – Ind AS

Particulars (Rs Cr)	9M FY19	9M FY18	YoY %
<b>Gross Revenue <sup>1</sup></b>	<b>2,729</b>	<b>2,306</b>	<b>18.3%</b>
Finance cost	1,095	836	31.0%
Provisions*	49	34	41.4%
Employee cost	319	297	7.5%
Depreciation	20	19	3.7%
Other expenses	208	192	8.5%
<b>PBT</b>	<b>1,038</b>	<b>928</b>	<b>11.9%</b>
Tax Expense <sup>2</sup>	378	316	19.5%
<b>PAT</b>	<b>660</b>	<b>612</b>	<b>7.9%</b>
Share in profit of Associates	0	2	N/M
<b>Net profit before Minority Interest</b>	<b>661</b>	<b>613</b>	<b>7.7%</b>
Minority Interest	-217	-178	21.9%
<b>Net profit</b>	<b>444</b>	<b>435</b>	<b>1.9%</b>
<b>Adjusted Net Profit**</b>	<b>482</b>	<b>431</b>	<b>11.8%</b>

# amount less than Rs. 1 crore

\*includes provision on account of Expected Credit Loss(ECL)

\*\*Adjusted for diminution / (gain) in fair value of investments (excluding security receipts) & is based on management reports & have not been subjected to review or audit

1. Includes diminution/(gains) in fair value of investments (excluding security receipts) amounting to ~Rs.57 Cr for nine months ended Dec 31, 2018 ~Rs.(4 Cr) for nine months ended Dec 31, 2017.

2. On a conservative approach, group does not create deferred tax assets on any diminution due to change in fair value of investments, hence average tax rate is higher

Numbers related to 9MFY18 are based on management reports and have not been subjected to review or audit

## Reconciliation of Net Profit - IGAAP and Ind AS

Particulars (Rs Cr)	Quarter ended 31.12.2018 Unaudited
<b>Net profit after tax and before minority interest (IGAAP)</b>	<b>233</b>
<b>Add / (Less):</b>	
Provision for expected credit Loss	(2)
Inc / (Dec) in interest income / borrowing cost pursuant to application of effective interest rate (net)	(31)
Diminution in fair valuation of investments	(4)
Gain on fair valuation of investments SR	34
Increase / (Decrease) in employee benefit expenses due to fair valuation of ESOP	(1)
Deferred tax impact on above	(8)
<b>Total effect of transition to Ind AS</b>	<b>(12)</b>
<b>Net profit after tax ( before OCI ) as per Ind AS</b>	<b>221</b>
Other comprehensive Income (net of tax)	(5)
<b>Net profit after tax and before minority interest (Ind AS)</b>	<b>216</b>

IGAAP financials are based on management reports and have not been subjected to review or audit



# Consolidated Balance Sheet – Ind AS

Particulars (Rs Cr)	As at Dec 31, 2018	As at Dec 31, 2017
<b>Assets</b>		
Loan book (Net of Effective Interest Rate & ECL)	15,866	14,241
Distressed asset book (Investment in SRs / Loan)	4,532	2,830
Treasury fund	2,577	1,885
Arbitrage and trading book	74	564
Property, Plant and Equipment	373	375
Other assets	927	1,240
<b>TOTAL</b>	<b>24,349</b>	<b>21,135</b>
<b>Equity and Liabilities</b>		
Shareholders' Funds	5,041	3,734
Non Controlling Interest	2,114	1,339
Share of security receipt holders	629	530
Borrowings (Net of Effective Interest Rate)	15,404	14,343
Other Liabilities and Provisions	1,161	1,189
<b>TOTAL</b>	<b>24,349</b>	<b>21,135</b>

Balance Sheet as of Dec 2017 and Dec 2018 is based on management reports and have not been subjected to review or audit

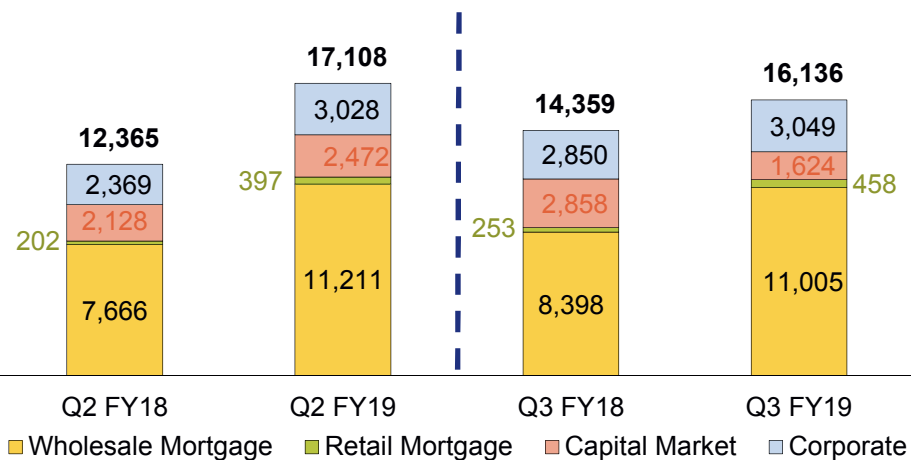
# Reconciliation of Net worth - IGAAP and Ind AS

Particulars (Rs Cr)	As at 31.12.2018 Unaudited
<b>Net worth as per the erstwhile Indian GAAP (IGAAP) including minority interest</b>	<b>6,942</b>
<b>Add / (Less):</b>	
Additional provision for expected credit loss	(47)
Increase in interest income / borrowing cost pursuant to application of effective interest rate method	(151)
Gain on fair valuation of investments	89
Gain on fair valuation of investments - Security receipt	318
Increase / (Decrease) in employee benefit expenses due to fair valuation of Employee Stock Option	(1)
Deferred tax impact on above	5
<b>Total effect of transition to Ind AS</b>	<b>213</b>
<b>Net worth ( before OCI ) as per Ind AS including minority interest</b>	<b>7,155</b>
Other comprehensive Income (net of tax)	#
<b>Net worth as per the Ind AS including minority interest</b>	<b>7,155</b>

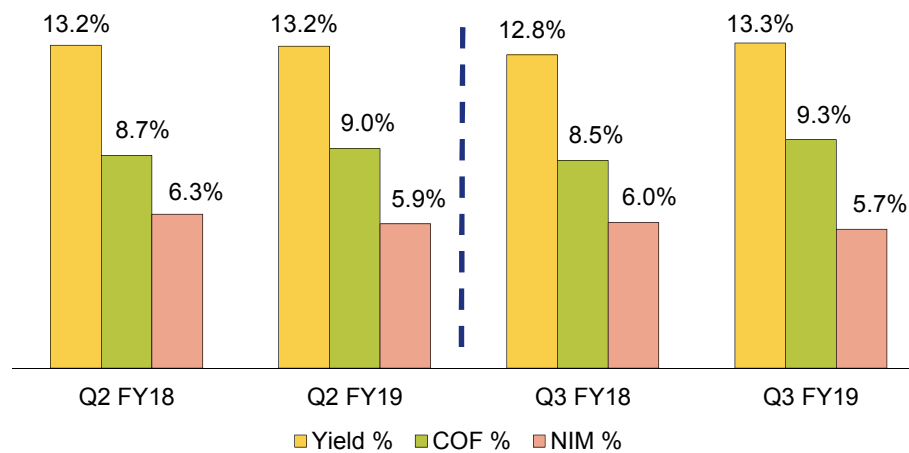
IGAAP financials are based on management reports and have not been subjected to review or audit

# Lending book Profile – Ind AS

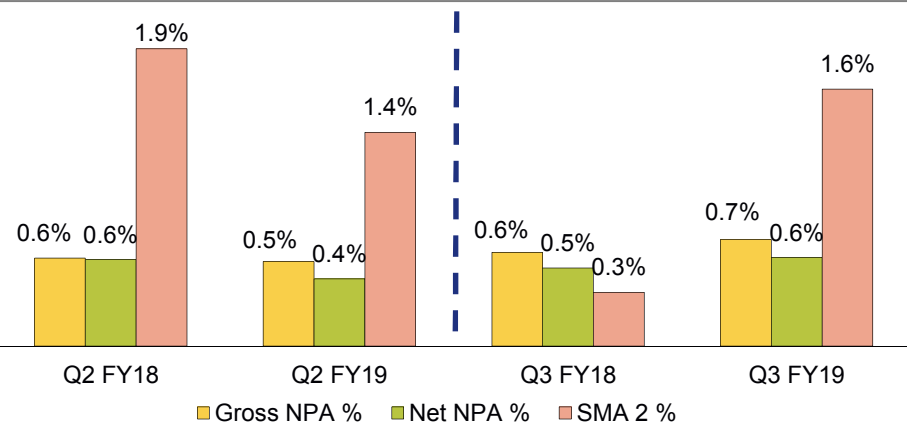
Gross Loan Book (Rs Cr)#



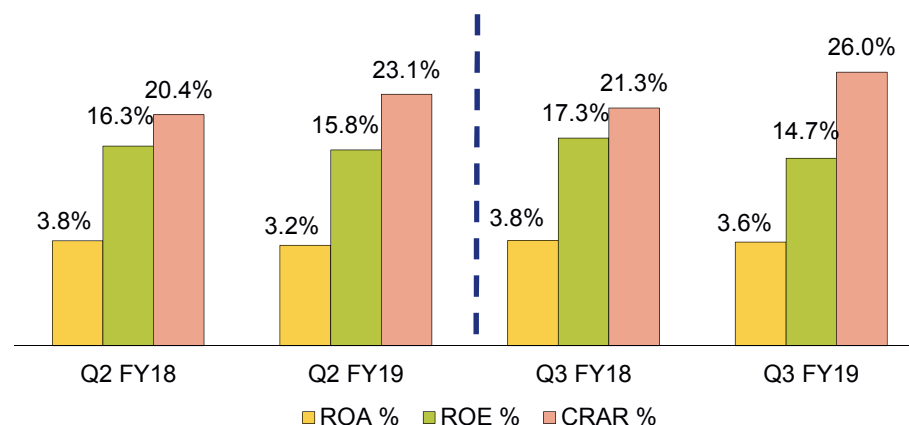
NIM Analysis (%)



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



Return Ratios^ & Capital Adequacy (%)

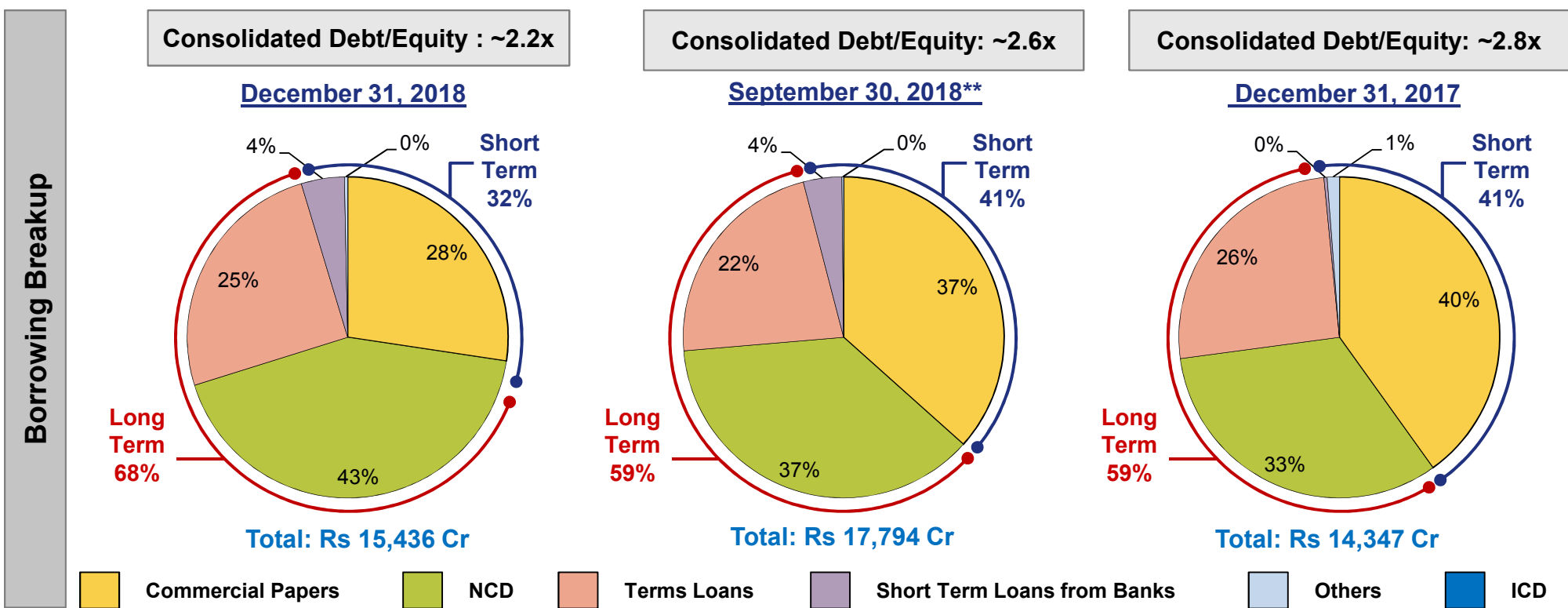


# Entity-wise Lending Book Profile

Rs. in crore

Particulars	Q2 FY18	Q2 FY19	Q3FY18	Q3 FY19
<b>Wholesale Mortgage</b>				
JMF Credit Solutions	5,708	8,738	6,475	8,509
JMF Products	1,952	2,028	1,894	2,225
JMF Capital	6	100	29	87
Other Companies	-	345	-	184
<b>Total</b>	<b>7,666</b>	<b>11,211</b>	<b>8,398</b>	<b>11,005</b>
<b>Retail Mortgage</b>				
JMF Products	164	292	207	275
JMF Capital	38	51	45	51
JMF Home Loans	-	54	1	132
<b>Total</b>	<b>202</b>	<b>397</b>	<b>253</b>	<b>458</b>
<b>Capital Market</b>				
JMF Products	1,615	1,910	2,093	1,199
JMF Capital	513	562	765	425
<b>Total</b>	<b>2,128</b>	<b>2,472</b>	<b>2,858</b>	<b>1,624</b>
<b>Corporate/Promoter Financing</b>				
JMF Products	2,329	2,970	2,781	2,999
JMF Capital	40	58	69	50
<b>Total</b>	<b>2,369</b>	<b>3,028</b>	<b>2,850</b>	<b>3,049</b>
<b>Total</b>	<b>12,365</b>	<b>17,108</b>	<b>14,359</b>	<b>16,136</b>

# Borrowing Profile



## Strong Credit Rating:

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

\*\*Borrowings excludes borrowing for NCDs / IPO Financing

# Segment-wise Commercial Paper Borrowing and Repayment Capabilities<sup>1</sup>

Rs. in crore

Particulars (as on 31 <sup>st</sup> Dec, 2018)	Amount Rs Crore	% of CP borrowing	Assets backing
<b>IWS</b>			
Capital Market Financing	827	19.1%	High liquid assets
Trading & Broking	165	3.8%	Fixed deposits and highly liquid assets
Corporate Financing	580	13.4%	Short term contractual maturities
Promoter Financing	840	19.4%	Highly liquid assets
Wholesale Mortgage	588	13.6%	Short term contractual maturities
<b>Total IWS</b>	<b>3,000</b>	<b>69.3%</b>	
<b>Mortgage Lending</b>			
Wholesale Mortgage	665	15.4%	Short term contractual maturities
Retail Mortgage	-	0.0%	
<b>Total Mortgage Lending</b>	<b>665</b>	<b>15.4%</b>	
<b>Distressed Credit</b>	<b>661</b>	<b>15.3%</b>	Expected short term resolutions and recoveries
<b>Asset Management</b>	<b>-</b>	<b>0.0%</b>	No leverage
<b>Total (A)</b>	<b>4,326</b>	<b>100.0%</b>	
Less: Cash & Cash equivalents (B)	(2,235)		Including Unutilised Credit Lines of ~Rs. 240 Cr
<b>Net Total C = (A-B)</b>	<b>2,091</b>		
<b>Short term maturity of assets (D)</b>	<b>7,587</b>		
<b>CP coverage ratio (D/C)</b>	<b>3.6x</b>		

**Bulk of the CP borrowing is funding short term assets which demonstrates strong Asset Liability Management**

**Note:**

1. Assuming no fresh borrowings to repay the CP  
Total borrowing as of December 31, 2018 of ~Rs.15,436 crore  
The above considers all outstanding CP maturities and at gross value

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**Group Performance**

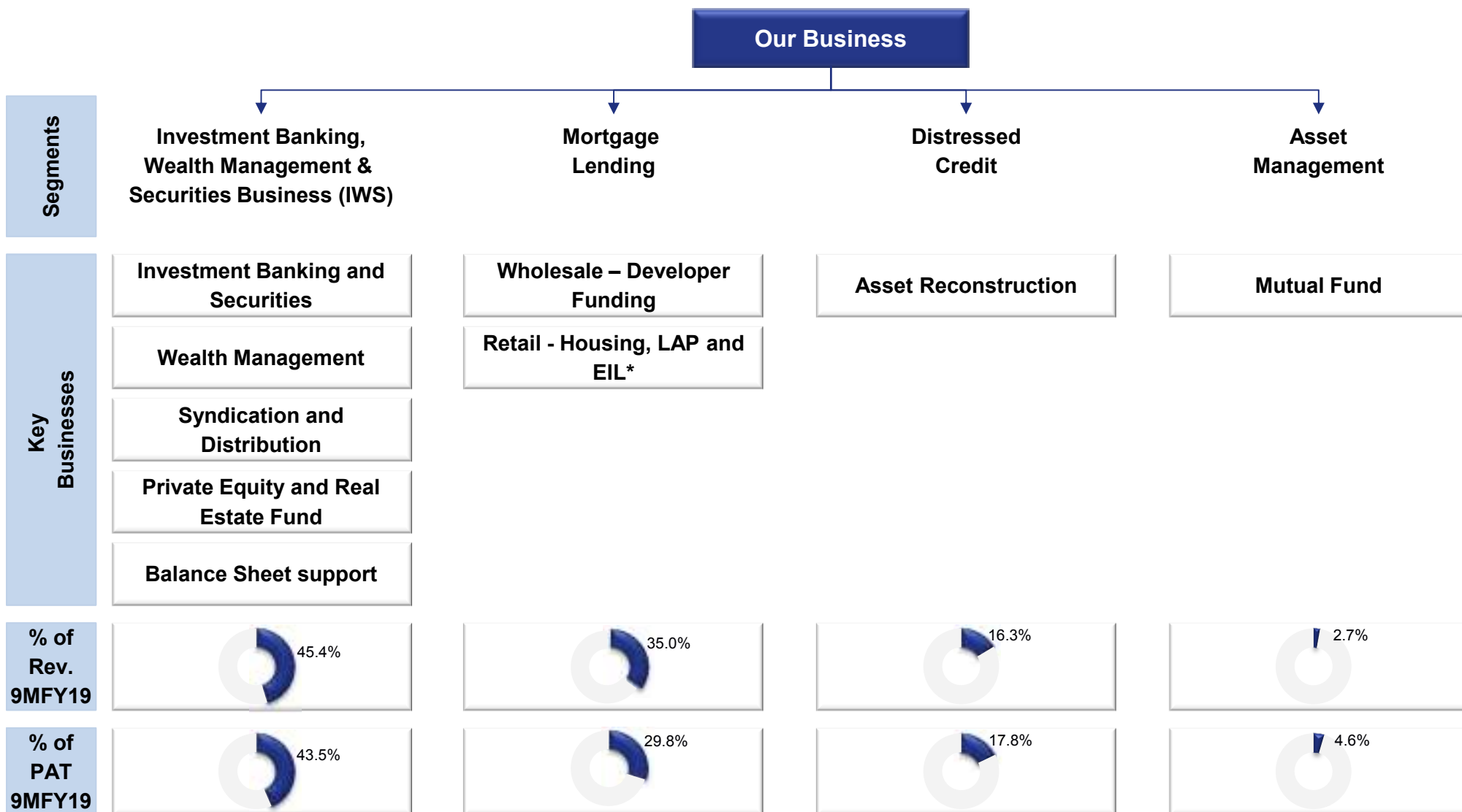
**Business Performance**

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# Our Business





## Segment Performance – Ind AS

Segment revenue (Rs Cr)	Ind AS				
	Q3 FY19	Q2 FY19	QoQ	Q3 FY18	YoY
IWS	371	443	-16.1%	441	-15.8%
Mortgage Lending	343	321	7.0%	234	46.9%
Distressed Credit	162	180	-10.2%	91	78.6%
Asset Management	24	25	N/M	39	N/M
Others	14	24	N/M	13	N/M
<b>Total Segment Revenue</b>	<b>914</b>	<b>993</b>	<b>-7.9%</b>	<b>817</b>	<b>12.0%</b>
Less: Inter - segmental revenue	(13)	(17)	N/M	(11)	N/M
<b>Total Revenue</b>	<b>901</b>	<b>976</b>	<b>-7.7%</b>	<b>806</b>	<b>11.8%</b>

Segment PAT (Rs Cr)	Q3 FY19	Q2 FY19	QoQ	Q3 FY18	YoY
IWS	48	68	-29.3%	92	-47.5%
Mortgage Lending	50	42	19.8%	41	22.8%
Distressed Credit	27	38	-29.0%	9	N/M
Asset Management	6	7	-7.3%	14	N/M
Others	5	8	N/M	1	N/M
<b>Total</b>	<b>137</b>	<b>163</b>	<b>-15.9%</b>	<b>157</b>	<b>-12.6%</b>

## Segment Performance – Ind AS

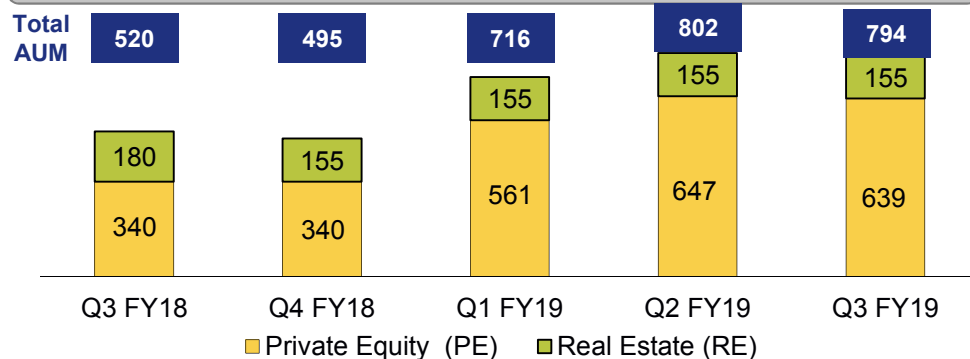
Segment revenue (Rs Cr)	Ind AS		
	9M FY19	9M FY18	YoY
IWS	1,238	1,263	-1.9%
Mortgage Lending	956	691	38.3%
Distressed Credit	445	271	64.6%
Asset Management	75	85	N/M
Others	58	34	N/M
<b>Total Segment Revenue</b>	<b>2,772</b>	<b>2,344</b>	<b>18.3%</b>
Less: Inter - segmental revenue	(43)	(38)	N/M
<b>Total Revenue</b>	<b>2,729</b>	<b>2,306</b>	<b>18.3%</b>

Segment PAT (Rs Cr)	9M FY19	9M FY18	YoY
IWS	193	247	-21.9%
Mortgage Lending	132	118	11.5%
Distressed Credit	79	39	99.8%
Asset Management	20	28	N/M
Others	19	2	N/M
<b>Total</b>	<b>444</b>	<b>435</b>	<b>1.9%</b>

Numbers related to 9MFY18 are based on management reports and have not been subjected to review or audit

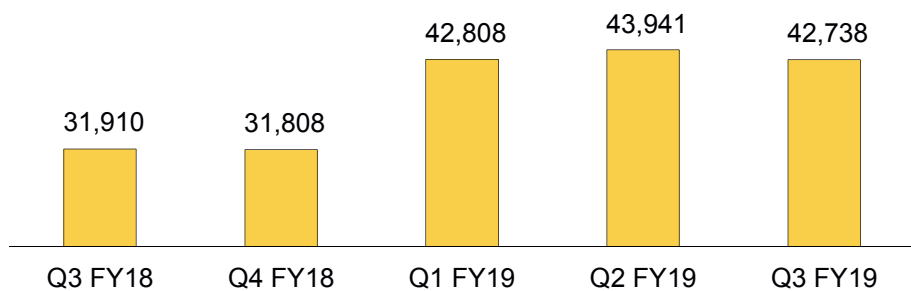
# IWS – Key Non Financial Information

## PE and RE AUM (Rs Cr)



New PE Fund commitment of Rs. 346 Cr is included in Q3FY19

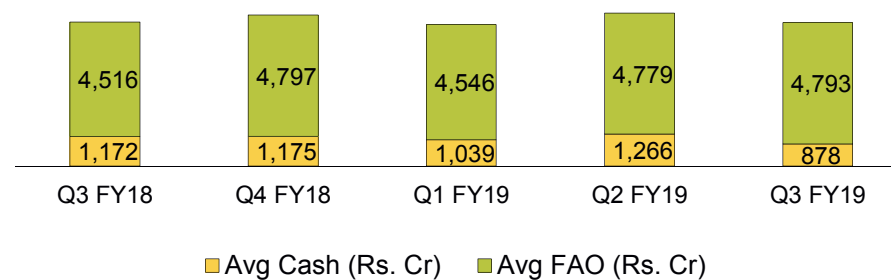
## Wealth Management AUM (Rs Cr)



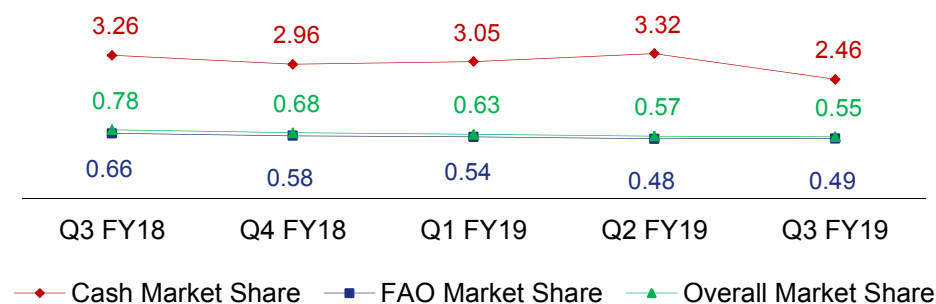
# of wealth advisors as of Q3 FY19: 52

## Securities Business (Rs Cr)

### Average Daily Turnover (Rs Cr)



### Equity Market Share on NSE (%)



Investment Banking Transaction: Manager to the Buyback of HCL Technologies Limited (~Rs. 4,000 Cr)

# IWS – Key Financial Information

Particulars (Rs Cr) – IND AS	Q3 FY19	Q2 FY19	QoQ %	Q3 FY18	YoY %	9M FY19	9M FY18	YoY %
Net worth + MI	2,564	2,646	-3.1%	2,249	14.0%	2,564	2,249	14.0%
Loan Book	7,387	8,176	-9.7%	7,881	-6.3%	7,387	7,881	-6.3%
<b>Gross Revenue</b>	<b>371</b>	<b>443</b>	<b>-16.1%</b>	<b>441</b>	<b>-15.8%</b>	<b>1,238</b>	<b>1,263</b>	<b>-1.9%</b>
Finance cost	158	172	-7.8%	171	-7.6%	482	466	3.4%
Impairment of Financial Instruments (Provisions)	0	10	-96.7%	-2	-115.0%	14	15	-10.2%
Employee cost	66	79	-16.8%	72	-8.8%	227	231	-1.4%
Depreciation	4	4	2.4%	4	1.5%	11	11	0.9%
Operating expenses	63	71	-12.1%	63	0.2%	196	176	11.5%
<b>PBT</b>	<b>81</b>	<b>106</b>	<b>-24.2%</b>	<b>134</b>	<b>-39.6%</b>	<b>308</b>	<b>364</b>	<b>-15.4%</b>
Tax	32	39	-15.3%	41	-22.2%	114	116	-1.7%
<b>PAT before Minority Interest</b>	<b>49</b>	<b>68</b>	<b>-29.2%</b>	<b>92</b>	<b>-47.4%</b>	<b>194</b>	<b>248</b>	<b>-21.8%</b>
Minority Interest	0	#	2.2%	0	-12.8%	1	1	-5.2%
<b>PAT after Minority Interest</b>	<b>48</b>	<b>68</b>	<b>-29.3%</b>	<b>92</b>	<b>-47.5%</b>	<b>193</b>	<b>247</b>	<b>-21.9%</b>
ROE (%)*	7.4%	10.5%		16.7%		10.0%	15.6%	

\* ROE is annualized

Numbers related to Q3FY18, 9MFY18 and balance sheet related numbers as on Dec 2017 and Dec 2018 are based on management reports and have not been subjected to review or audit

# Mortgage Lending

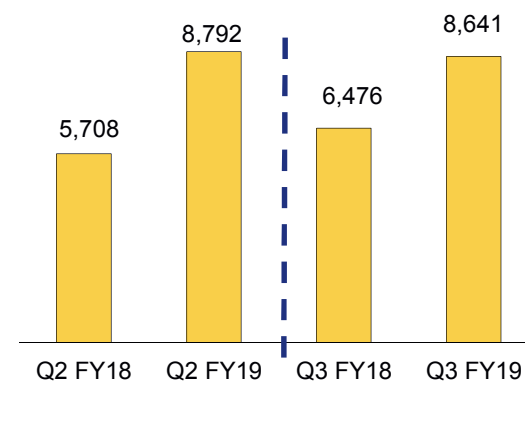
## Wholesale

- Provides an integrated financial solution to real estate developers with major focus on real estate project financing
- 89 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, Thane, Pune, Bangalore, Chennai, Hyderabad, Kolkata and NCR
  - Loan disbursements of 39.1% in Mumbai, 22.3% Bengaluru, 13.3% Chennai, 7.4% Pune, 8.6% NCR and 9.2% others
- 85.2% of the book is cashflow backed lending
- 72.8% of the book is against residential projects

## Retail

- Home loans business loan book at Rs.132 crore
- Expanded branch presence to 13 locations
- Fresh equity infusion from the parent company to take total equity infusion to Rs100cr.

## Loan Book (Rs Cr)



Particulars (Rs Cr) – IND AS	Q3 FY19	Q2 FY19	QoQ %	Q3 FY18	YoY %	9M FY19	9M FY18	YoY %
Net worth + MI	2,882	2,693	7.0%	1,603	79.8%	2,882	1,603	79.8%
Revenue	343	321	7.0%	234	46.9%	956	691	38.3%
Finance cost	151	154	-1.9%	92	64.1%	445	277	60.9%
Impairment of Financial Instruments (Provisions)	2	17	-89.7%	2	-26.4%	28	11	140.0%
Employee cost	10	9	8.0%	8	31.4%	29	21	38.8%
Depreciation	0	0	-	0	-	1	0	-
Operating expenses	9	7	23.0%	6	48.7%	24	18	31.0%
<b>PBT</b>	<b>171</b>	<b>133</b>	<b>28.7%</b>	<b>126</b>	<b>36.4%</b>	<b>430</b>	<b>364</b>	<b>18.2%</b>
<b>PAT before Minority Interest</b>	<b>110</b>	<b>86</b>	<b>28.4%</b>	<b>82</b>	<b>34.0%</b>	<b>277</b>	<b>237</b>	<b>16.9%</b>
Minority Interest	59	44	36.2%	41	44.7%	145	118	22.1%
<b>PAT after Minority Interest</b>	<b>50</b>	<b>42</b>	<b>19.8%</b>	<b>41</b>	<b>22.8%</b>	<b>132</b>	<b>118</b>	<b>11.5%</b>
ROA* (%)	4.7%	4.0%		5.4%		4.3%	5.5%	
ROE* (%)	15.8%	18.8%		21.0%		17.4%	21.3%	

# Distressed Credit – Asset Reconstruction

## Business Overview



Long Term Credit Rating of AA- and Short Term Credit Rating of A1+ by ICRA & CARE. Comfortable gearing of 1.99x\*\*



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



Current AUM of ~Rs 14,221 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



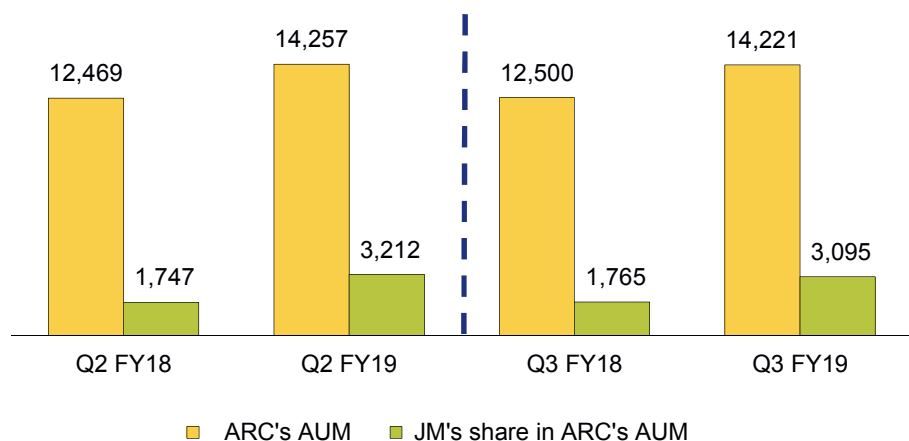
- Rollout of Corporate Insolvency Resolution Process (CIRP) under Insolvency & Bankruptcy Code 2016 (IBC) has brought out a sea change in the resolution of distressed asset space in India.



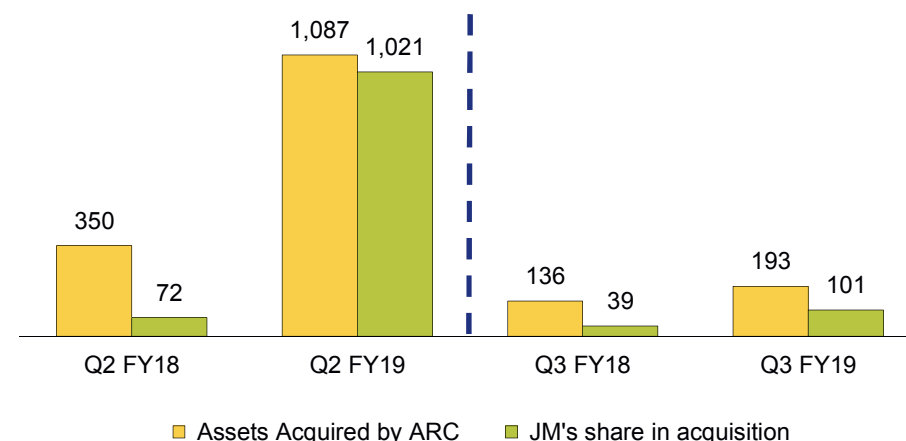
- There is an increasing urgency being shown by Government and Regulators to clean up the books of Banks. In almost all policy initiatives ARC's are recognised as important stakeholders for this purpose.
- Banks in the past have been keen to sell large NPAs to ARC's on cash basis to expedite their Recovery Plans
- JMFARC is actively evaluating opportunities arising out of companies undergoing CIRP under IBC-NCLT. The code also allows ARC's to submit a resolution plan acting as a stronger tool for ARC's to deal with NPA situation.
- A number of Funds/Foreign Investors are keen to co-invest and collaborate with JMFARC which would facilitate participating in larger deals and appropriate risk sharing. We have also closed few deals with investors for our existing portfolio.

## Distressed Credit – Asset Reconstruction (cont'd)

AUM (Rs Cr)



Asset Acquisitions (Rs Cr)



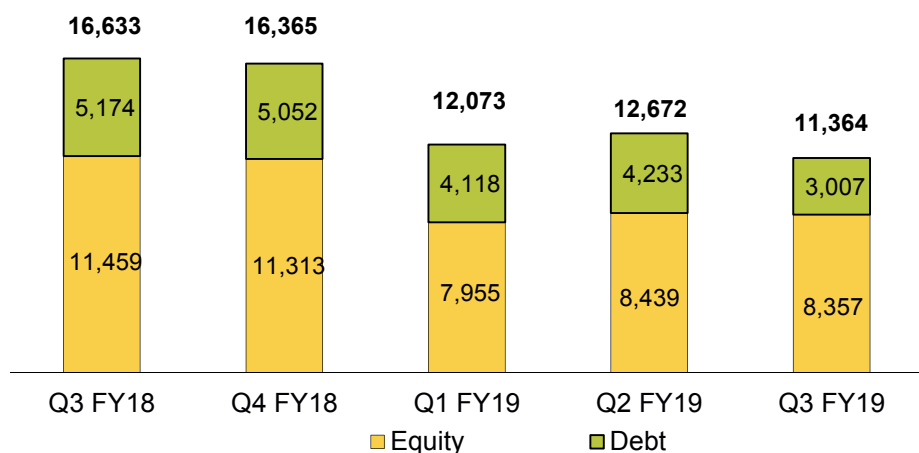
Particulars (Rs Cr) – IND AS – Consolidated	Q3 FY19	Q2 FY19	QoQ	Q3 FY18	YoY %	9M FY19	9M FY18	YoY %
Net worth + MI of Company	1,271	1,228	4%	893	42%	1,271	893	42%
Gross Revenue	163	200	-19%	91	80%	488	271	80%
Operating expenses	28	39	-27%	26	9%	111	49	125%
Finance Cost	65	47	40%	29	128%	147	87	68%
PBT	70	115	-39%	36	92%	230	134	72%
<b>PAT before Minority Interest</b>	<b>47</b>	<b>67</b>	<b>-30%</b>	<b>21</b>	<b>124%</b>	<b>137</b>	<b>79</b>	<b>73%</b>
Minority Interest	20	29	-31%	12	71%	58	40	47%
<b>PAT after Minority Interest</b>	<b>27</b>	<b>38</b>	<b>-29%</b>	<b>9</b>	<b>N/M</b>	<b>79</b>	<b>39</b>	<b>100%</b>
ROE (%)*	15.0%	22.1%		9.5%		15.0%	12.3%	

\* ROE is annualized

Numbers related to Q3FY18, 9MFY18 and balance sheet related numbers as on Dec 2017 and Dec 2018 are based on management reports and have not been subjected to review or audit

# Asset Management – Mutual Fund

## Asset Management AUM (Rs Cr)



**Note:**  
Equity AUM for Q3 FY19 include arbitrage fund of Rs. 1,561 Cr

## Mutual Fund:

- Quarterly Average AUM (QAAUM) – Rs 11,364 cr.
- Rank (QAAUM) – 22 among 41 Mutual Funds.
- Market Share – 0.48%.
- 15 Schemes categorized as Long Term Debt, Short Term Debt, Balance, Equity Arbitrage and Equity.
- Investor reach – 1,17,665 base, 13 branches & 81 service centres.

Particulars (Rs Cr) – INDAS	Q3FY19	Q2FY19	QoQ%	Q3 FY18	YoY %	9M FY19	9M FY18	YoY %
Net worth + MI	207	196	5.5%	222	-6.8%	207	222	-6.8%
Revenue	24	25	N/M	39	N/M	75	85	N/M
Employee Cost	6	6	-3.8%	5	42.3%	19	17	10.7%
Other Expenses	3	3	-3.2%	2	94.5%	8	7	18.9%
PBT	15	16	-10.8%	31	-48.4%	47	61	-22.6%
PAT	10	11	-12.8%	22	-53.6%	34	46	-26.3%
Minority Interest	-4	-5	-12.7%	-9	-56.8%	-14	-19	-28.9%
Share of Profit from Associates	#	#	81.3%	1	-88.7%	#	2	-74.8%
PAT after Minority Interest	6	7	7.3%	14	N/M	20	28	N/M
ROE (%)*	21.0%	23.4%		44.3%		22.6%	28.0%	

\* ROE is annualized  
Numbers related to Q3FY18, 9MFY18 and balance sheet related numbers as on Dec 2017 and Dec 2018 are based on management reports and have not been subjected to review or audit



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**Group Performance**

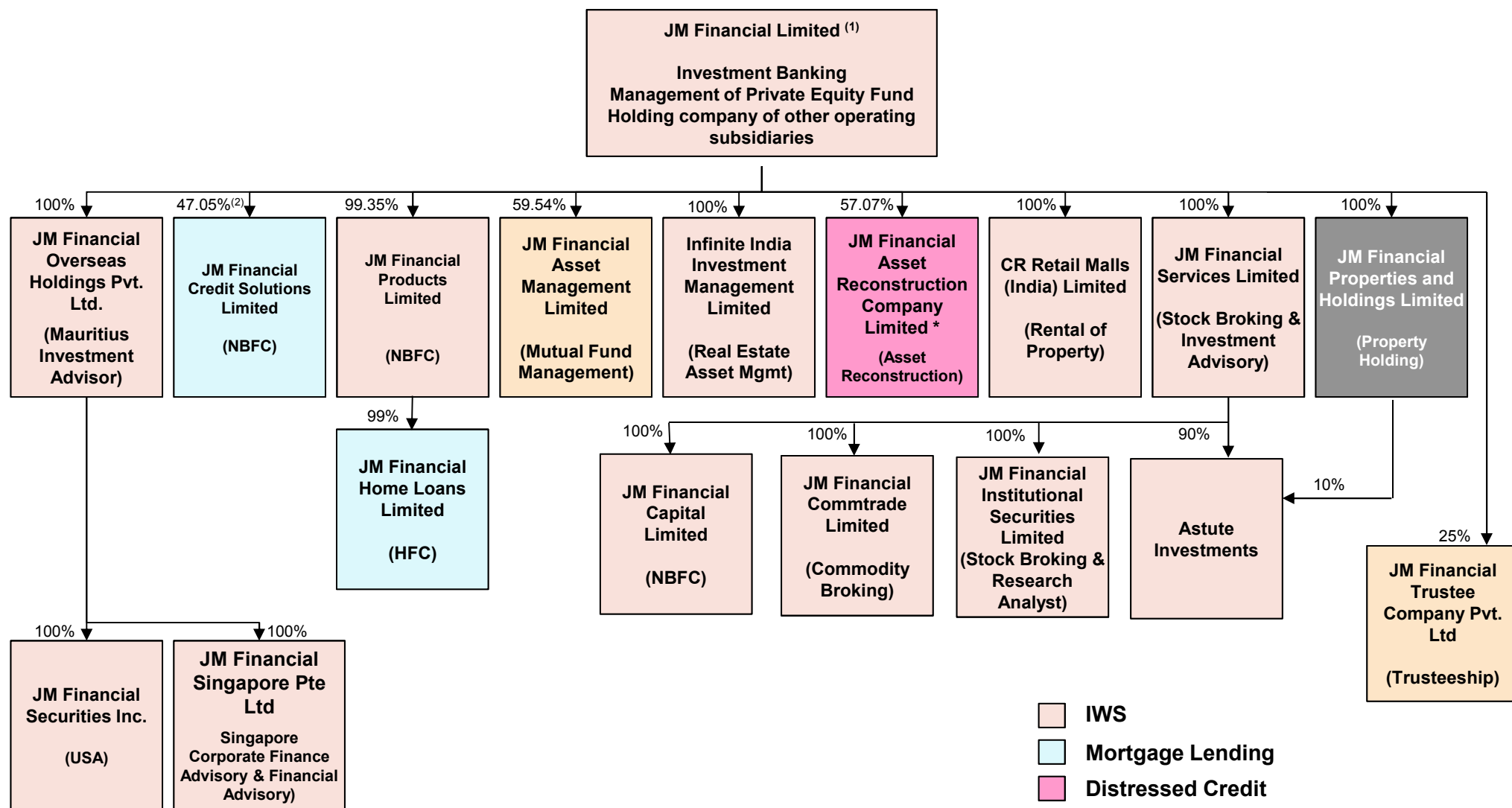
**Business Performance**

**Group Structure and Shareholding Pattern**

**Group Overview**

**Annexures**

# Organisational Structure



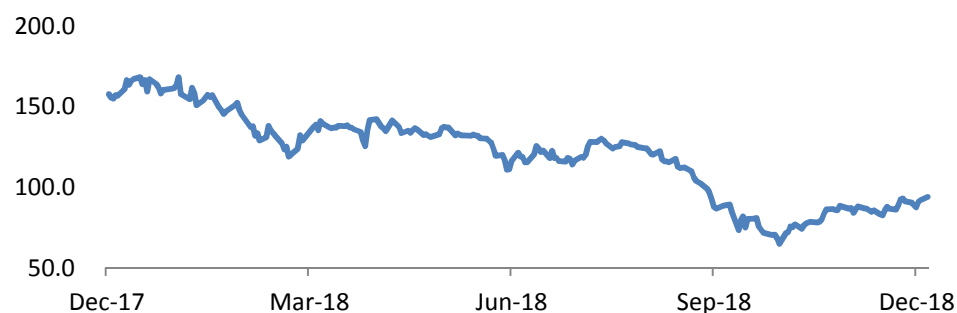
\* Includes Trusts where there is a controlling interest

1. Largely IWS and balance others

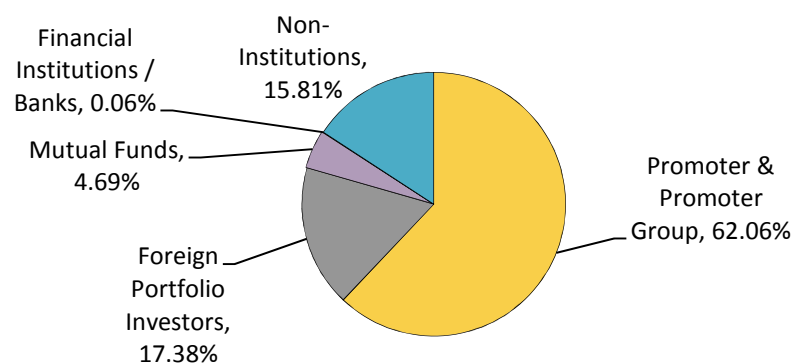
2. JM Financial Limited controlled entity with effective ownership of 47.05%

# Shareholding Summary

## Share Price Information



## % Shareholding – December 31, 2018



## Market Information (BSE)

As on 31.12.2018

Market Capitalization (Rs Cr)	7,857.37
Price (Rs)	93.55
No. of Shares Outstanding (Cr)	83.99
52 Week High-Low (Rs)	171.60-64.25

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

% Holding

Valiant Group	4.11
Baron Emerging Markets Fund	2.43
SAIF India VI FII Holdings Limited	1.80
TIMF Holdings	1.70
The Wellington Trust Company National Association	1.23

# Table of Contents

**Group Performance**

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# Performance of Select Subsidiaries – IND AS

In Rs Cr

## JM Financial Credit Solutions Ltd

	Q3 FY19	Q3 FY18
Revenue	340	234
Net Profit	113	82
Net worth	2,790	1,591
Loan book	8,509	6,475
Net Interest Margin	7.3%	8.2%
Total Assets	9,017	6,441
ROE (annualized)*	16.5%	21.1%
ROA (annualized)*	4.9%	5.4%
Debt / Equity Ratio	2.15	2.96
CAR	30.3%	25.2%
Credit Rating	AA	AA
<b>Ownership**</b>	<b>47.05%</b>	<b>50.01%</b>

## JM Financial Products Ltd

	Q3FY19	Q3 FY18
Revenue	241	226
Net Profit	49	50
Net worth	1,565	1,417
Loan book	6,777	7,043
Net Interest Margin	3.9%	4.3%
Total assets	7,871	7,806
ROE (annualized)	12.6%	14.3%
ROA (annualized)	2.4%	2.7%
Debt / Equity Ratio	3.9	4.4
CAR	19.9%	17.9%
Credit Rating	AA	AA
<b>Ownership</b>	<b>99.35%</b>	<b>99.27%</b>

## JM Financial Asset Reconstruction Company Ltd\*\*\*

	Q3 FY19	Q3 FY18
Revenue	163	91
Net Profit	47	21
Net worth + MI	1,271	893
AUM	14,221	12,500
Total assets	4,661	2,892
ROE (annualized)	15.0%	9.5%
ROA(annualized)	4.0%	2.9%
Debt / Equity Ratio	1.99	1.39
CAR	28.9%	31.7%
Credit Rating	AA-	AA-
<b>Ownership</b>	<b>57.07%</b>	<b>50.01%</b>

\*ROE and ROA are based on weighted average on account of equity funds raised in JM Financial Credit Solutions Limited

\*\*JM Financial Limited controlled entity with effective ownership of 47.05%

\*\*\*Figures mentioned above are based on Consolidated financials

Numbers related to Q3FY19, 9MFY18 and balance sheet related numbers as on Dec 2017 and Dec 2018 are based on management reports and have not been subjected to review or audit

# Performance of Select Subsidiaries – IND AS

In Rs Cr

## JM Financial Credit Solutions Ltd

	9M FY19	9M FY18
Revenue	950	691
Net Profit	283	237
Net worth	2,790	1,591
Loan book	8,509	6,475
Net Interest Margin	7.0%	8.3%
Total Assets	9,017	6,441
ROE (annualized)*	18.1%	21.3%
ROA (annualized)*	4.3%	5.4%
Debt / Equity Ratio	2.15	2.96
CAR	30.3%	25.2%
Credit Rating	AA	AA
<b>Ownership**</b>	<b>47.05%</b>	<b>50.01%</b>

## JM Financial Products Ltd

	9M FY19	9M FY18
Revenue	730	667
Net Profit	159	149
Net worth	1,565	1,417
Loan book	6,777	7,043
Net Interest Margin	4.6%	5.1%
Total assets	7,871	7,806
ROE (annualized)	13.9%	14.7%
ROA (annualized)	2.7%	2.9%
Debt / Equity Ratio	3.9	4.4
CAR	19.9%	17.9%
Credit Rating	AA	AA
<b>Ownership</b>	<b>99.35%</b>	<b>99.27%</b>

## JM Financial Asset Reconstruction Company Ltd\*\*\*

	9M FY19	9M FY18
Revenue	488	271
Net Profit	137	79
Net worth + MI	1,271	893
AUM	14,221	12,500
Total assets	4661	2,892
ROE (annualized)	15.0%	12.3%
ROA(annualized)	4.6%	3.8%
Debt / Equity Ratio	1.99	1.39
CAR	28.9%	31.7%
Credit Rating	AA-	AA-
<b>Ownership</b>	<b>57.07%</b>	<b>50.01%</b>

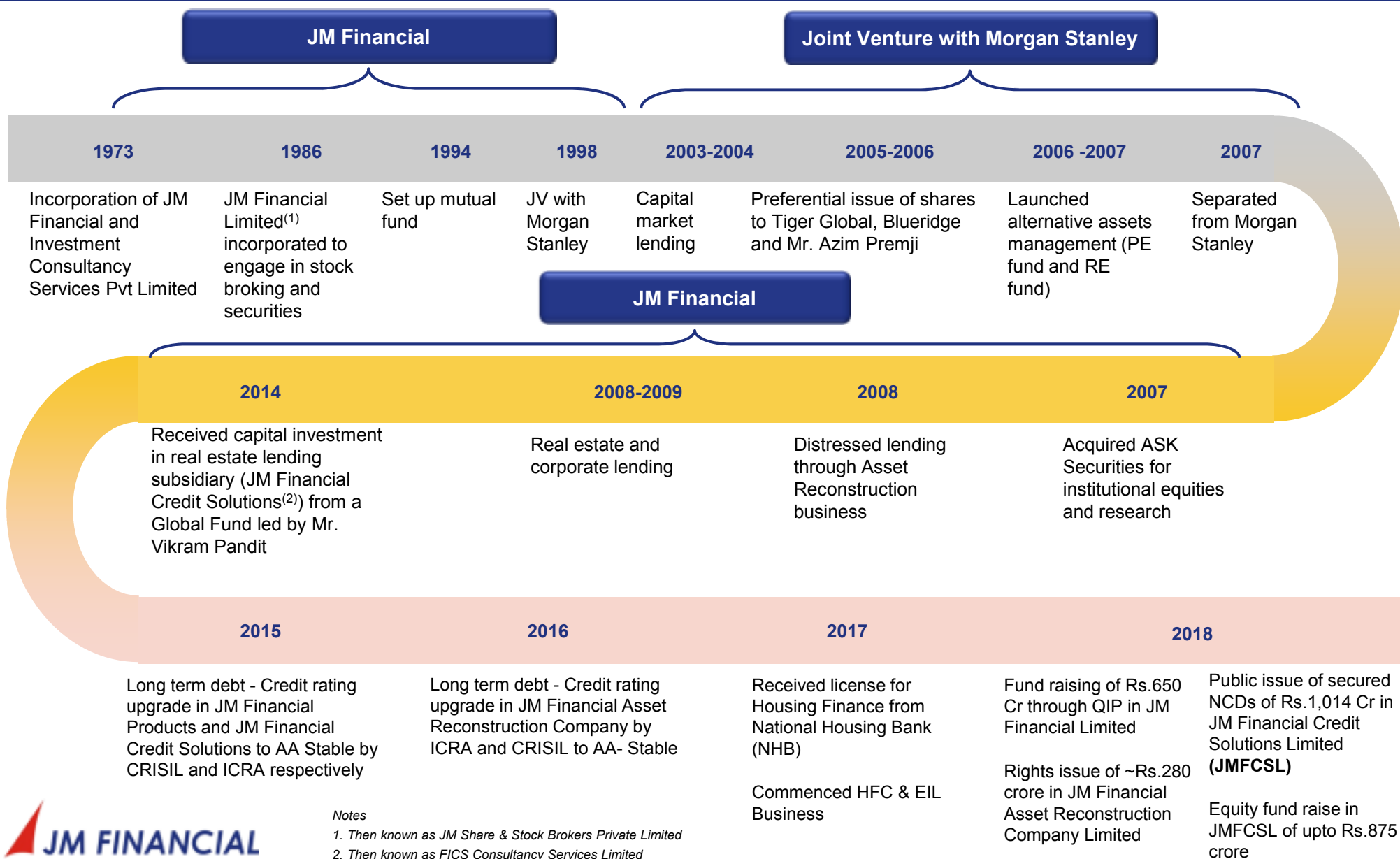
\*ROE and ROA are based on weighted average on account of equity funds raised in JM Financial Credit Solutions Limited

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\*\*\*Figures mentioned above are based on Consolidated financials

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# Journey of JM Financial Group



**Notes**

1. Then known as JM Share & Stock Brokers Private Limited
2. Then known as FICS Consultancy Services Limited

# 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 (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. Udadia, Independent Director**

B.A., M.A., LLB,

- Founder partner, M/s. Udadia & 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 advisory board of various groups.
- 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 & Odisha Television 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** – Five pre-school learning centres running across five villages of Dhanimatari, Dhawatanr, Korasi, Lachhwar and Sabalbigha
- Total of 117 children attending regularly with improved health and learning outcomes
- Teachers' and parents' capacity building planned through quarterly review and recognition systems

### Livelihoods

- **Shri Vardhmaan Mahila Griha Udyog** – Small-scale kitchen-based women's production unit initiated in Dec 2017 in Sikandra block
- Total 13 women khakhra-making members attending the Udyog regularly and producing an average of 400 kg per month
- Khakhra sale and supply peaked from July to December 2018 with over 200 kg being sold per month

### Livelihoods

- **Integrated Livestock Development Center (ILDC) Project** in Sikandra, Chakai & Jhajha blocks. All 21 centers operational from March 2018.
- 24/7 animal husbandry & veterinarian healthcare services provided through regular deworming, de-ticking, cattle health camps, farmers' extension education sessions, vaccinations, etc.
- Total 4,563 Artificial Inseminations conducted till date leading to *96 new cross-breed calves, of which 43 are female calves*

### Integrated Development

- **Model Village Development Project** initiated in 13 villages of Sikandra block.
- **Strengthening agriculture:** 91 sessions attended by 2,565 farmers (*cumulative*) conducted for farmer groups' training and capacity building in soil testing, irrigation, fertigation, weed control, pest and disease management of paddy and so on. Led to 301 farmers using and applying Blue Green Algae (BGA) for enhanced paddy cultivation, 2,960 kg of foundation seeds purchased by 333 farmers at subsidized rates to gain optimal output in wheat and wheat-seeds production and 29,250 gms of enhanced Mustard (*Rani Sarso*) seeds sown in approx. 17 acres across 13 villages.
- **Enhancing education:** 150 students (grades 1 to 4) enrolled at and attending five Vardhmaan Gyaan Kendras (primary) across five villages. 145 students enrolled at and attending Vardhmaan Gyaan Kendras (secondary) across morning and evening sessions in Lachhwar village. Parents-teacher meetings conducted monthly at the primary centres.
- **Increasing access to public entitlements:** Community awareness sessions have led to 182 applications for Diesel Anudaan Scheme, 45 applications for pension schemes and 23 applications for Ujjwala scheme.



Playtime at Project Bachpan Sabalbigha



Daily Khakhra-making at the Udyog



Tagging calves born through AI at ILDC Bhullo



Farmers training – Jagdishpur village



Model Farm in Lachhwar village

# CSR – Integrated Rural Transformation Programme

## Giridih district, Jharkhand

### Strengthening Public Healthcare

- **First Referral Unit (FRU) Project** in Dumri block
- *Increasing staff:* 35 member-team manages the FRU now with well-set OPD timings from 9 am to 5 pm
- *Enhancing services:* 21,249 OPDs, 7,526 gynecology cases, 13,725 pediatric cases from inception till date. Progression from no C-sections to 59 C-sections of 1,1613 deliveries so far.
- New Born Sterilization Unit (NBSU) refurbished and now fully functional with 13 baby warmers.
- **Mobile Health Unit (MHU) Project** in Dumri & Pirtand blocks - MHU Doctor & para medical team, conducts OPDs from Monday-Saturday (8.00 am to 4.00 pm) in 24 remote villages based on monthly calendar
- 19,489 OPDs conducted from inception till date, 588 cases referred to tertiary treatment and 6,950 community beneficiaries (*cumulative*) counselled through individual & group counselling & awareness sessions



MHU Community counselling on worm infestations



Enhanced Operation Theatre at the FRU

## Palghar district, Maharashtra

### Comprehensive Village Development

- Project initiated in seven villages of Mokhada block with an objective to enhance agriculture practices, water and irrigation and education in 1108 households. Constant liaising with the block and district-level governments has led to government convergence and support accrued to the community through the following:
- **Strengthening agriculture:** 21 farmer training sessions held across seven villages covering a total of 536 farmer trainees. Outcome visible in farming inputs made accessible to willing farmers through government convergence of Rs.1,22,880/-, leading to support through drumstick saplings, kitchen garden seeds and sickles for paddy cultivation. Alongside, 208 soil samples have been collected from 208 farmers for soil health testing, covering a total of 391.2 hectares.
- **Water and irrigation:** 10 farmers' individual wells and 1 community well through government convergence amounting to Rs. 32,50,000/-.
- **Education:** Construction of one new Anganwadi to be supported by the Women and Child Welfare Department, Govt. of Palghar.
- **Enhancing public entitlements:** Two helpdesks set up at Aasegaon and Beriste Gram Panchayats to facilitate community counselling and linkage to govt. schemes



Distribution of govt. supported drumsticks saplings



SHG training & capacity building session in progress

# JM Financial Foundation – Giving & Ongoing Activities

## Philanthropic Giving

- JMFF extended support to an organisation engaged in a challenging field of providing physical relief to the disabled. Such relief, provided with a spirit of pure service, goes a long way in helping them lead a life of dignity and rehabilitating them into the larger society.
- In order to strengthen the ongoing activities of an Institute involved in Ayurveda and its significance in the health segment, JMFF provided financial support towards this cause.
- Material support by way of uniforms and shoes were provided by JMFF to the underprivileged children of a Balwadi in Mumbai
- JMFF extended support to an organisation that works towards promotion of music & culture to preserve our country's rich heritage.

## Employee Contribution

- A Christmas Exhibition of festive items made by people with intellectual disability was held in our office in December. The employees flocked in great numbers and made this a great success.

## Photo Gallery



## For Further Queries

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Group CFO

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