

May 2, 2017

National Stock Exchange of India Limited
Exchange Plaza
Plot No.C-1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051

Dear Sirs,

Re: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015
Security Code: **JMFINANCIL**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of JM Financial Limited (“the Company”) at its meeting held today has accorded its approval to the Composite Scheme of Amalgamation and Arrangement between the Company and its Wholly Owned Subsidiaries, viz., JM Financial Institutional Securities Limited and JM Financial Investment Managers Limited. The Scheme, inter alia, comprises the following:

1. Demerge the Institutional Equities Division of JM Financial Institutional Securities Limited into a new company proposed to be incorporated as part of this arrangement. The said new company would be incorporated as a Wholly Owned Subsidiary of JM Financial Services Limited, which is a Wholly Owned Subsidiary of JM Financial Limited; and
2. Merger of JM Financial Institutional Securities Limited and JM Financial Investment Managers Limited into the Company;

Kindly note that the above will be subject to all the regulatory and other approvals, if any and to the extent required in this regard.

The particulars of the proposed demerger/merger are provided in the Annexures hereto.

We request you to disseminate the above information on your website.

Yours faithfully,
For JM Financial Limited



P K Choksi

Group Head – Compliance, Legal
& Company Secretary

JM Financial Limited

Corporate Identity Number : L67120MH1986PLC038784

Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.

T: +91 22 6630 3030 F: +91 22 6630 3223 www.jmfl.com

Annexure 1**Demerger of the Institutional Equities Division of JM Financial Institutional Securities Limited**

1. Brief details of the existing divisions(s) of JM Financial Institutional Securities Limited are as follows:

Institutional Securities Business of the Company includes Investment Banking Division and Institutional Equities Division.

2. Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year/based on financials of last year:

- a. **Turnover of Institutional Equities Division proposed to be demerged for the financial year 2016-17: Rs. 51.54 Crore**
- b. **Percentage to the total consolidated turnover of JM Financial Limited for the financial year 2016-17: 2.18%**

3. Rationale for demerger:

- a. **It is proposed to demerge the Institutional Equities Division having trading memberships of BSE and NSE and registration with SEBI as a stock broker into a new company proposed to be incorporated as part of this arrangement. The said new company would be incorporated as a Wholly Owned Subsidiary of JM Financial Services Limited, which is a Wholly Owned Subsidiary of JM Financial Limited and is engaged, *inter alia*, in equity broking, securities distribution and wealth management services.**
- b. **Entire securities and distribution business in terms of broking and distribution will be under JM Financial Services Limited with the management having a unified view of the business;**
- c. **Best in class distribution platform catering all investor categories with opportunities for synergies and cross sell with ability to take judicious decisions in distribution related matters;**
- d. **Synergies and operating efficiencies in the securities business; and**
- e. **Elimination of multiplicity in functions such as controllers, compliance, human resources, etc. These resources may be redeployed to new businesses within the group such as housing finance.**

4. Brief details of change in shareholding pattern (if any) of all entities:

100% ownership of equity share capital of Institutional Equities Division will be owned by a 100% subsidiary of JM Financial Limited, viz. JM Financial Services Limited as compared to currently 100% ownership by JM Financial Limited as a division of JM Financial Institutional Securities Limited which is also a 100% subsidiary.

JM Financial Limited

Corporate Identity Number : L67120MH1986PLC038784

Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.

T: +91 22 6630 3030 F: +91 22 6630 3223 www.jmfl.com

5. In case of cash consideration – amount or otherwise share exchange ratio:

Not applicable.

6. Whether listing would be sought for the resulting entity:

No listing is sought by the newly incorporated company.

h

Merger of JM Financial Investment Managers Limited and JM Financial Institutional Securities Limited (post demerger as above) into the Company.

1. Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;

Name: JM Financial Limited

Size (market capitalisation): Rs. 9,304 Crore at closing price on May 2, 2017

Consolidated Turnover: Rs. 2,359.26 Crore for the financial year 2016-17

Name: JM Financial Institutional Securities Limited

Size (market capitalisation): Not applicable since it is unlisted company

Turnover: Rs. 174.33 Crore for the financial year 2016-17 in respect of the residual business of JM Financial Institutional Securities Limited post the demerger as per Annexure 1

Name: JM Financial Investment Managers Limited

Size (market capitalisation): Not applicable since it is unlisted company

Turnover: Rs. 2.60 Crore for the financial year 2016-17

2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at 'arm's length':

Though the transaction is between related parties, the provisions of Section 188(1) are not applicable since the merger is between the Company and its Wholly Owned Subsidiaries.

3. Area of business of the entity(ies):

Name: JM Financial Limited

Area of business: Core Investment Company registered with Reserve Bank of India.

Name: JM Financial Institutional Securities Limited

Area of business: Category I Merchant Banker registered with SEBI, post the demerger of Institutional Equities Division as per Annexure 1.

Name: JM Financial Investment Managers Limited

Area of business: Investment Managers to Private Equity Fund

4. Rationale for amalgamation /merger:

a. Consequent upon the merger of JM Financial Institutional Securities Limited, (post demerger of Institutional Equities Division), the higher net worth would enhance the Company's underwriting capability.

b. Synergies and operating efficiencies;

c. Elimination of multiplicity in functions such as controllers, compliance, human resources, etc.

5. In case of cash consideration – amount or otherwise share exchange ratio:

Not applicable, since the merger is between the Company and its wholly owned subsidiaries.

6. Brief details of change in shareholding pattern (if any) of all entities:

Not applicable since the merger is between the Company and its wholly owned subsidiaries.

3