

May 10, 2024

JM Financial Home Loans Limited: Rating withdrawn for matured instrument

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures (NCD) programme	293.7	293.7	[ICRA]AA (Stable); outstanding
NCD programme	6.3	0.0	[ICRA]AA (Stable); withdrawn
Long-term fund-based bank lines – Others	1,500.0	1,500.0	[ICRA]AA (Stable); outstanding
Commercial paper (CP) programme	150.0	150.0	[ICRA]A1+; outstanding
Total	1,950.0	1,943.7	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the [ICRA]AA rating assigned to JM Financial Home Loans Limited's (JMFL) Rs. 6.3-crore non-convertible debenture programme as no amount is outstanding against the same. This is in accordance with ICRA's policy on the withdrawal of credit ratings. The previous detailed rating rationale, which captures the key rating drivers and their description, liquidity position, rating sensitivities and key financial indicators is available at the following link: [Click here](#).

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies Rating Methodology for Stockbroking and Allied Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	Not applicable; while arriving at the ratings, ICRA has considered the consolidated financials of JM Financial Limited (JMFL). It has taken a consolidated view of the credit profiles of JMFL and its subsidiaries, which are engaged in merchant banking, mortgage lending (retail and wholesale), bespoke finance, institutional and retail broking, asset management and wealth management, due to the close linkages between the entities, common promoters and senior management team, shared brand name, and strong financial and operational synergies. ICRA has also factored in the support it extends to its subsidiaries and associates engaged in distressed asset management and other businesses.
Consolidation/Standalone	ICRA has considered the consolidated financials of JMFL. As on March 31, 2023, JMFL had nine subsidiaries, six step-down subsidiaries, one partnership firm (with two of JMFL's subsidiaries as partners), one Association of Persons (AOP; with two of JMFL's subsidiaries as members) and an associate company. Details of these companies are provided in Annexure II.

About the company

Incorporated in December 2016, JM Financial Home Loans Limited (JMFL) is the housing finance arm of the Group. Registered with National Housing Bank (NHB), it offers affordable housing loans and loan against property (LAP). It is in a growing stage with a gross loan book of Rs. 1,759 crore as on December 31, 2023.

Until FY2020, JM Financial Products Limited (JMFP) had held a 99% stake in JMFL. In FY2021, JM Financial Credit Solutions Limited acquired a ~9% stake in the company. As on December 31, 2023, JMFL had a network of 112 branches spread across 9 states. It reported a net profit of Rs. 31 crore on total income of Rs. 182 crore in 9M FY2024. It had reported a net profit of

Rs. 29 crore on total income of Rs. 170 crore in FY2023 compared to Rs. 4 crore and Rs. 92 crore, respectively, in FY2022. As on December 31, 2023, JMFHL's capitalisation was characterised by a net worth of Rs. 450 crore and a gearing of 3.0 times.

JM Financial Group

JM Financial Limited (JMFL) is the holding company of the operating entities in the JM Financial Group, which is an integrated and diversified financial services group. While JMFL is engaged in investment banking, portfolio management, wealth management and the management of private equity fund(s) at the standalone level, the consolidated operations encompass (a) investment bank, which includes investment banking, institutional equities and research, private equity business, fixed income, syndication and corporate/promoter finance, capital market related lending, wealth management services for high-net-worth individual (HNI)/ultra HNI clients, and portfolio management services, (b) mortgage lending, which includes wholesale as well as retail mortgage lending (affordable housing loans), (c) alternative and distressed credit, which includes the asset reconstruction business, and (d) Platform AWS (asset management, retail wealth management and retail securities business), which includes mutual funds, wealth management for retail and elite clients, investment advisory, distribution business and equity broking.

As on December 31, 2023, the consolidated loan book stood at Rs. 15,111 crore (Rs. 15,653 crore as on March 31, 2023), distressed credit business assets under management (AUM) at Rs. 15,059 crore (Rs. 13,558 crore as on March 31, 2023), private wealth management AUM at Rs. 65,009 crore (Rs. 56,515 crore as on March 31, 2023), retail and elite wealth AUM at Rs. 29,514 crore and mutual fund quarterly average AUM (QAAUM) at Rs. 4,584 crore (Rs. 2,969 crore as on March 31, 2023). The Group is headquartered in Mumbai with a presence in ~878 locations across ~232 cities in India. JMFL's equity shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

JMFL reported a consolidated net profit (including share of non-controlling interest) of Rs. 709 crore (Rs. 992 crore in FY2022) on total income of Rs. 3,343 crore in FY2023 (Rs. 3,763 crore in FY2022). In 9M FY2024, JMFL reported a consolidated net profit (including share of non-controlling interest) of Rs. 705 crore on total income of Rs. 3,556 crore compared to a net profit of Rs. 676 crore on total income of Rs. 2,629 crore in 9M FY2023.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2025) Amount Rated (Rs. crore)	Amount Outstanding as of May 2, 2024 (Rs. crore)	Chronology of Rating History for the Past 3 Years								
				Date & Rating in FY2025		Date & Rating in FY2024		Date & Rating in FY2023			Date & Rating in FY2022	
				May 10, 2024	Mar 14, 2024	Oct 20, 2023	May 05, 2023	Oct 20, 2022	Sep 29, 2022	Jun 30, 2022	Feb 11, 2022	
1	NCD programme	293.70	260.00	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
2	NCD programme	6.30	-	[ICRA]AA (Stable); withdrawn	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
3	Fund-based bank lines – Others	1,500.00	1,340.00	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
4	CP programme	150.00	150.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	-	-	-	-	-	-
5	Long-term bank lines (cash credit)^	-	-				-	-	-	-	-	[ICRA]AA (Stable)
6	Long-term bank lines (term loan)^	-	-				-	-	-	-	-	[ICRA]AA (Stable)
7	Long-term bank lines (unallocated)^	-	-				-	-	-	-	-	[ICRA]AA (Stable)

^ Clubbed with fund-based bank lines – Others

Complexity level of the rated instruments

Instrument	Complexity Indicator
NCD programme	Simple*
Fund-based bank lines – Others	Simple
CP programme	Very simple^

**For the utilised portion of Rs. 266.3 crore and subject to change based on the terms of issuance for the balance amount*

^ Subject to change based on the terms of issuance

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE01A207013	NCD	Aug 30, 2018	9.51%	Aug 30, 2028	25.00	[ICRA]AA (Stable)
INE01A207062	NCD	Oct 21, 2020	8.00%	Oct 20, 2025	10.00	[ICRA]AA (Stable)
INE01A207104	NCD	May 31, 2022	MCLR linked	May 31, 2026	50.00	[ICRA]AA (Stable)
INE01A207112	NCD	Mar 28, 2023	8.75%	Jun 28, 2026	10.00	[ICRA]AA (Stable)
INE01A207120	NCD	May 15, 2023	8.80%	May 15, 2027	15.00	[ICRA]AA (Stable)
INE01A207138	NCD	Sep 23, 2023	Linked to repo rate	Sep 28, 2027	34.00	[ICRA]AA (Stable)
INE01A207146	NCD	Nov 01, 2023	8.86%	Oct 26, 2026	100.00	[ICRA]AA (Stable)
INE01A207153	NCD	Dec 29, 2023	Linked to repo rate	Dec 29, 2027	16.00	[ICRA]AA (Stable)
NA	NCD programme*		-		33.70	[ICRA]AA (Stable)
INE01A207039	NCD	Dec 28, 2018	10.10%	Apr 29, 2024	6.30	[ICRA]AA (Stable); withdrawn
NA	Fund-based bank lines	NA	NA	NA	1,500.0	[ICRA]AA (Stable)
NA	CP programme*	-	-	7-365 days	150.0	[ICRA]A1+

Source: Company; *Proposed; As of May 2, 2024

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership as on March 31, 2023	Consolidation Approach
JM Financial Limited	Holding Company	ICRA has taken a consolidated view of the parent, its subsidiaries and an associate
JM Financial Asset Management Limited	59.54%	
JM Financial Products Limited	99.71%	
JM Financial Capital Limited*	100%	
JM Financial Services Limited*	100%	
JM Financial Credit Solutions Limited	46.68%	
JM Financial Asset Reconstruction Company Limited	58.28%	
JM Financial Home Loans Limited	94.04%	
JM Financial Institutional Securities Limited	100%	
JM Financial Trustee Company Private Limited	25%	
JM Financial Overseas Holding Private Limited	100%	
JM Financial Securities Inc.	100%	
JM Financial Singapore Pte Ltd	100%	
JM Financial Commtrade Limited	100%	
JM Financial Properties and Holdings Limited	100%	
Astute Investments	100%	
ARB Maestro	100%	
CR Retail Malls (India) Limited	100%	
Infinite India Investment Management Limited	100%	

Source: Company

Note: ICRA has taken a consolidated view of the parent (JMFL), its subsidiaries and an associate while assigning the ratings

* Pursuant to the National Company Law Tribunal (NCLT) order, JM Financial Capital Limited was merged with JM Financial Services Limited with effect from April 1, 2023

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About ICRA Limited:

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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