July 05, 2024

# JM Financial Products Limited: Ratings reaffirmed

## Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|---|---|---|
| **Non-convertible debentures (NCD) programme** | 4,000.00 | 4,000.00 | [ICRA]AA (Stable); reaffirmed |
| **Market linked debenture principal protected (PP-MLD) programme** | 250.00 | 250.00 | PP-MLD[ICRA]AA (Stable); reaffirmed |
| **Long-term fund-based bank lines – Others^** | 2,000.00 | 2,000.00 | [ICRA]AA (Stable); reaffirmed |
| **Commercial paper programme** | 2,500.00 | 2,500.00 | [ICRA]A1+; reaffirmed |
| **Total** | **8,750.00** | **8,750.00** | |

**Instrument details are provided in Annexure I; ^ Includes loans from financial institutions*

## Rationale

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 the company and its subsidiaries (collectively referred to as the JM Financial Group), which are engaged in merchant banking, mortgage lending (retail and wholesale), bespoke finance, financial institution financing, capital market financing, institutional and retail broking, financial product distribution, wealth and asset management, due to the common promoters and senior management team, shared brand name, and financial and operational linkages. ICRA has also factored in the support it extends to its subsidiaries and associates engaged in distressed asset management and other businesses.

The ratings continue to be supported by the Group's established track record and franchise in the domestic financial services industry, its diversified revenue stream, track record of adequate profitability, and comfortable capitalisation with a consolidated gearing of 1.5 times as of March 31, 2024 (peak gearing of 2.5 times as on March 31, 2018, though on a lower net worth base). The Group has five decades of experience in investment banking and capital market related services. In the last decade, it also established its presence in the lending and asset reconstruction businesses while expanding its product mix in capital market and allied services. ICRA notes the Group's intention to move to the distribution, syndication and alternatives model from the on-balance sheet lending model for its wholesale credit business comprising real estate financing, bespoke financial institutions loans and distress credit. In this regard, while comfort is drawn from the Group's demonstrated track record of operating in the wholesale credit business, its ability to successfully scale up the syndication and alternatives business will remain a monitorable. Nevertheless, the financial leverage is expected to ease further, considering its plan to pivot to an asset-light model in the wholesale credit business.

The Group's investment bank segment[1] remains the key contributor to the consolidated profit, supported by fund-based services such as bespoke lending in addition to fee-based income streams. Given the decision to move to the distribution, syndication and alternatives model, the share of the investment bank segment and, correspondingly, the share of fee-based revenue in the consolidated financials are expected to increase further over the medium term. After reporting an uptick in its lending business in FY2022 and FY2023, the recoveries in the wholesale lending segment last fiscal, along with the rundown of the capital market book (amid regulatory orders), resulted in a contraction in the loan book in FY2024. The consolidated loan

*[1]ICRA notes that the Group's bespoke (corporate and promotor) lending product is classified under the investment bank segment*

book is expected to reduce further over the medium term as the Group pivots to the new business model. Nonetheless, with the decline in on-balance sheet wholesale lending exposures, the residual loan book is expected to be relatively granular.

The aforesaid strengths are partially offset by the exposure to the volatility in capital markets, portfolio concentration given the dominance of wholesale lending in the consolidated loan book, and the inherent risk profile of the key businesses [real estate focussed wholesale loan book accounted for ~45% of the consolidated net worth (including non-controlling interest (NCI), NCI of security receipt holders and net of goodwill) as on March 31, 2024, while investment in security receipts[2] and the associated loan book accounted formed ~31%]. ICRA notes the year-on-year (YoY) reduction in the Group's absolute wholesale mortgage lending and security receipt exposures, though this was partly due to higher impairments/write-offs during the year[3]. The gross non-performing advances (GNPAs), in absolute terms, improved in recent quarters (partially supported by write-offs), though the GNPA percentage appears elevated due to the contraction in the loan book.

The ratings also factor in the risks arising from the nature of the asset reconstruction business, wherein recoveries and, consequently, the earnings and cash flows remain volatile. Further, the high portfolio concentration towards large-ticket exposures can result in a protracted resolution process along with erosion in the value of the underlying assets in the asset reconstruction company (ARC) business as witnessed in FY2024. JM Financial Asset Reconstruction Company Limited (JMFARCL) had reported an exceptional item/impairment of Rs. 847 crore in FY2024 amid the evolving resolution process for one of its large exposures. Accordingly, it reported sizeable losses, resulting in a decline in its net worth. To reinstate JMFARCL's financial health, the Group infused Rs. 596 crore through a rights issue.

The ratings also consider the challenges in resource mobilisation stemming from the risk-averse sentiment of investors towards non-banks, particularly wholesale-oriented entities. In this regard, the impact of recent regulatory actions/developments also remains a monitorable.

ICRA is cognisant of the ongoing Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI) inspections related to JM Financial Products Limited's (JMFPL) loans against the initial public offering (IPO) of shares as well as against subscription to the debentures business and JMFL's lead manager for the public issuance of debt securities businesses, pursuant to the orders issued by the regulators in March 2024. On June 20, 2024, JMFL announced its voluntary decision to refrain from acting as the lead manager for the public issuance of debt securities until March 2025 or further date as prescribed by SEBI. While the direct contribution of the segments covered under these orders is not substantial for the Group, an adverse finding by the regulators could have a second-level impact on its business and borrowing franchise. Nevertheless, this has not yet had an impact with the Group reporting a healthy performance in its investment bank segment in Q4 FY2024.

The Stable outlook reflects ICRA's expectation that the Group will continue to draw on its established franchise, diversified presence (though with a change in operating strategy), and comfortable capitalisation, which should continue to support its healthy revenue profile and ensure adequate profitability.

## Key rating drivers and their description

### Credit strengths

**Established track record and franchise with diversified presence in financial services industry** – The JM Financial Group is a diversified financial services player with an established track record and franchise. It has a presence in merchant banking, mortgage lending (retail and wholesale), bespoke finance, financial institution financing, capital market financing, distressed credit, institutional and retail broking, financial product distribution, asset management and wealth management. It is one of the leading players in the capital markets, investment banking and related businesses with a presence of five decades.

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[2] *Includes SRs held by non-banking financial companies (NBFCs) in the group*

[3] *The management claimed that a significant portion of the impairments and provisioning was upfronted in FY2024*

The Group was traditionally involved in the securities business and gradually forayed into the non-capital market lending business in 2008 to diversify its portfolio. It commenced the lending business with wholesale financing (bespoke and mortgage-backed wholesale lending), leveraging its experience in investment banking, and subsequently added retail lending (mortgage-backed retail lending) and lending to financial institutions to its portfolio. The consolidated loan book stood at Rs. 15,653 crore as of March 31, 2023 before declining to Rs. 12,917 crore as of March 31, 2024 amid the recoveries in the wholesale mortgage business and the rundown in the capital market lending book, given the regulatory order. The loan book is expected to contract further over the medium term as the Group moves from on-balance sheet lending to the distribution, syndication and alternatives model for its wholesale credit business. ICRA notes that the Group simply plans to change its operating model in the wholesale credit business and will not be exiting any product segment. Thus, it is expected to continue having a diversified presence in the financial services industry. Further, as the Group pivots to the new business model, the residual on-balance sheet loan book is expected to be relatively granular. As on March 31, 2024, the consolidated loan book comprised wholesale mortgage-backed lending (38%), bespoke lending (23%), retail mortgage (25%), financial institution financing (11%) and capital market lending (3%).

Given the sizeable loss reported by JMFARCL in FY2024 and the corresponding decline in its net worth, JMFL (the holding company of the Group) and JM Financial Credit Solutions Limited infused additional capital to support the ARC's financial health. Accordingly, JMFL's consolidated share in the ARC business increased to around 76.5% in May 2024. As of March 31, 2024, the assets under management (AUM) in the distressed credit business stood at Rs. 14,500 crore.

On a consolidated basis, the Group's revenue stream remains adequately diversified with the investment bank, mortgage lending, alternative and distressed credit, and asset management, wealth management and securities businesses (Platform AWS) and others contributing 41%, 32%, 7%, 20% and 0%, respectively, in FY2024 (39%, 39%, 4%, 17% and 1%, respectively, in FY2023). Fees and advisory income from businesses like securities broking, investment banking, wealth management and asset management help support the earnings profile. Going forward, the share of fee-based revenue is expected to increase further as the Group pivots to the distribution, syndication and alternatives model for its wholesale credit business.

**Comfortable capitalisation** – Despite the huge loss reported by the ARC, the Group's capitalisation remains comfortable with a consolidated net worth (including NCI, NCI of security receipt holders and net of goodwill on consolidation) of Rs. 11,003 crore and gearing of 1.5 times as on March 31, 2024 (peak gearing was 2.5 times in March 2018). The current capitalisation level is comfortable for the scale of operations, provided the Group controls incremental slippages in the wholesale lending segment and impairments in its distressed assets business. The capitalisation profile is expected to benefit in the medium term as the Group moves to an asset-light model in the wholesale credit business.

**Track record of adequate profitability, notwithstanding moderation in FY2024** – The JM Financial Group has a track record of adequate profitability as reflected by the 7-year average return on assets[4] (RoA) of 3.7% and return on equity[5] (RoE) of 10.8% between FY2017 and FY2023 (i.e. after it acquired a controlling stake in JMFARCL). However, the performance in FY2024 was characterised by divergent trends. While the Group reported its best-ever performance in the investment bank and platform AWS segments, supported by the industry tailwinds in the domestic capital market, the exceptional losses/items pertaining to the decline in the fair valuation of security receipts and higher provisioning in the wholesale mortgage lending segment affected the profitability. The performance in recent years was also impacted by the expansion in the retail mortgage business and technological advancement in the platform AWS segment. The Group reported a consolidated RoA of 0.1% in FY2024 compared to 2.5% in FY2023.

*[4] All ratios as per ICRA's calculations; RoA based on gross assets*

*[5] All ratios as per ICRA's calculations*

## Credit challenges

**Inherent credit risk in wholesale lending segment coupled with concentration risk** – The Group's loan portfolio largely comprises the wholesale mortgage-backed segment, bespoke finance and selective large-ticket loans in its financial institution lending segment. Real estate financing, bespoke and financial institution loans accounted for ~72% of the loan book as of March 31, 2024. Despite the YoY reduction in the absolute wholesale mortgage lending exposures (partly due to higher write-offs during the year[6]), the loan book concentration in the lending business remains high. As of March 31, 2024, the top 10 accounts comprised ~30% of the loan book and ~35% of the consolidated net worth. Slippages in such large accounts can result in a lumpy deterioration in the asset quality.

With the extension of the date of commencement of commercial operations (DCCO) ending in H2 FY2023, the Group reported an increase in stressed assets in the following periods. The asset quality, in absolute terms, improved subsequently in H2 FY2024 (partly supported by write-offs), but the GNPAs, as of March 31, 2024, remained elevated due to the contraction in the loan book. The GNPAs stood at 4.7% as of March 31, 2024 compared to 4.8% as of September 30, 2023 and 3.4% as of March 31, 2023. The special mention account (SMA)-2 stood at 1.6% as of March 31, 2024 compared to 0.5% as of September 30, 2023 and 0.1% as of March 31, 2023. The net NPA was 2.2% as of March 31, 2024. ICRA notes that the Group's asset quality indicators will remain optically impacted in the medium term as it winds down the on-balance sheet wholesale credit business. ICRA also notes that the Group's non-banking financial companies (NBFCs) held security receipts aggregating Rs. 508 crore (fair value), as on March 31, 2024, against the assets sold to JMFARCL. Herein, the Group's ability to curtail incremental delinquencies and achieve timely and successful resolution of the stressed assets will remain a key driver for maintaining comfortable capitalisation and adequate profitability.

**Exposed to inherent volatility in capital market related businesses along with risks related to distressed assets business** – A sizeable portion of the Group's overall revenue remains dependent on capital markets, which are inherently volatile in nature. Besides, it remains exposed to credit and market risks on account of bespoke finance, capital market lending and the SEBI margin trade funding (MTF) book, given the nature of the underlying assets. The increasing competition in the equity broking segment and the growing popularity of discount brokerage houses have led to margin contraction in recent years. However, growing investor participation in the domestic capital market and the resulting higher trading volumes have supported revenues in the recent past. Competition in this cyclical industry is expected to remain high, though increasing financialisation of savings and lower exposure of household savings towards the equity segment indicate untapped potential for expansion in the AWS segment over the long term. Further, securities broking companies rely heavily on technology for order placements, trade execution, fund management, etc. Thus, any technical failure or disruption, such as a system glitch, can pose operational, financial and reputation risk. Additionally, the regulatory environment is continuously evolving as the regulator introduces/modifies rules and regulations aimed at protecting investor interest and maintaining market integrity. Compliance with these evolving regulatory obligations remains critical.

The Group, through JMFARCL, is one of the prominent players in the ARC business, with distressed credit AUM of Rs. 14,500 crore as on March 31, 2024. Previously, JMFARCL was primarily focussed on the large single borrower corporate segment, which is riskier than the retail segment on account of the larger ticket size, higher complexity involved in the transactions and the resolution process. This, along with the inherent risks in the industry, given the nature of the underlying asset class, can result in a protracted process and uncertain cash flows. A prolonged delay in the resolution process can also lead to erosion in the underlying value of the assets. Accordingly, the Group's ARC booked sizeable fair value losses on security receipts and reported net losses in FY2023 and FY2024. The asset reconstruction industry's prospects also remain susceptible to regulatory changes. The developments related to the securitisation of stressed assets and the commencement of National Asset Reconstruction Company Limited, and their impact on the private players in the industry also remain monitorable. Nevertheless, the increase in the share of small and medium enterprise (SME) and retail assets in the ARC's AUM in the

[6] *The management claimed that a significant portion of the provisioning was upfronted in FY2024*

immediate past alleviates the aforesaid risks to some extent. Incrementally, JMFARCL plans to primarily focus on the retail assets segment.

**Fund-raising challenges for wholesale-oriented non-bank financiers** – Given the risk-averse sentiment of investors towards non-banks, particularly wholesale-oriented entities, resource mobilisation for companies operating in this segment remains challenging. Moreover, the impact of recent regulatory actions/developments on the Group's borrowing franchise remains monitorable. Nonetheless, the Group raised Rs. 3,585-crore long-term funds in FY2024 (Rs. 5,387 crore in FY2023). The incremental borrowing in FY2024 was relatively lower, given the steady recoveries from the wholesale mortgage lending business and the rundown of the capital market oriented loan book. Further, with the Group moving to an asset-light model, the need for incremental borrowings is expected to decline. As on March 31, 2024, the company's borrowing profile comprised non-convertible debentures and long term inter corporate deposits (59% including private placement to mutual funds, insurance, trusts, corporates, banks and public issuance to retail investors), term loans (27%; from banks and non-banks), commercial paper (CP; 10%), short-term bank loans (1%) and others (3%).

After increasing relatively in recent quarters, the share of short-term borrowings dipped to 14% as of March 2024 from 21% as of December 2023 and 18% as of March 2023. The increase in short-term liabilities had matched the assets in the capital market and trading segment. However, with the rundown in the capital market-oriented loan book, dependence on short-term borrowings declined. Further, pursuant to the regulatory orders passed against Group companies in March 2024, the Group repaid/prepaid its obligations towards CP, especially in JMFPL, to regain investor/market confidence.

## Environmental and social risks

Given the service-oriented business of JMFL, its direct exposure to environmental risks/physical climate risks is not material. Further, the Group's operations remain diversified. While lending institutions can be exposed to environmental risks indirectly through their portfolio of assets, JMFL's exposure to environmentally sensitive segments remains low. Hence, indirect transition risks arising from changes in regulations or policies concerning the underlying assets are not material.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for lending and investment banking institutions as material lapses could be detrimental to their reputation and could invite regulatory censure. JMFL has not faced such lapses over the years and its disclosures outline the key policies, processes, and investments made by it to mitigate the occurrence of such instances. JMFL also promotes financial inclusion by lending to the affordable housing segments.

## Liquidity position: Adequate

As of March 31, 2024, the Group had unencumbered on-balance sheet liquidity comprising cash, bank balance, Government securities, Treasury bills and liquid mutual funds of Rs. 4,769 crore (~30% of the consolidated borrowing) and unutilised bank lines of Rs. 29 crore compared to debt obligations (principal and interest) of Rs. 3,280 crore due in the next six months. The liquidity is also supported by the expected inflow from operations of Rs. 5,527 crore in the next six months. Besides, the Group's long-term investment book of Rs. 489 crore as of March 31, 2024, comprising listed equity shares and investment in real estate investment trusts (REITs), can also be liquidated to generate liquidity in case of contingency.

## Rating sensitivities

**Positive factors** – A sustained increase in fee-based income trajectory, supporting robust profitability, and a substantial improvement in the market position in the asset management, wealth management and on-balance sheet retail lending segments will be credit positives.

**Negative factors** – Pressure on profitability and/or significant weakening of the capitalisation level of the Group will be credit negatives. Additionally, a sustained deterioration in the consolidated solvency {net stressed assets/consolidated net worth (excluding the net worth of the ARC)} will also be a negative for the credit profile.

## Analytical approach

| Analytical Approach | Comments |
|---|---|
| **Applicable rating methodologies** | Rating Methodology for Non-banking Finance Companies<br>Rating Methodology for Stockbroking and Allied Companies |
| **Parent/Group support** | Not applicable; while arriving at the ratings, ICRA has considered the consolidated financials of 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 the distressed asset management and other businesses. |
| **Consolidation/Standalone** | ICRA has considered the consolidated financials of JMFL. As on March 31, 2024, JMFL had ten subsidiaries, four 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

JMFPL is a non-deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI). It is a 99.7% subsidiary of JMFL, the flagship company of the Group. JMFPL caters to individuals and corporates, and operates under various verticals, namely bespoke lending, real estate financing, capital market financing, retail lending and financial institution financing. The company also has a presence in the housing finance business through its 90.1% subsidiary, JM Financial Home Loans Limited (JMFHL). JMFHL was granted a licence to operate as a housing finance company by National Housing Bank (NHB) in FY2018.

As on March 31, 2024, JMFPL's standalone gross loan book was Rs. 4,254 crore, comprising bespoke finance (38%), financial institution financing (27%), retail mortgage lending (27%), capital markets lending (8%) and wholesale mortgage lending (1%). It reported a profit after tax of Rs. 427 crore on total income of Rs. 1,169 crore in FY2024 compared to Rs. 318 crore and Rs. 858 crore, respectively, in FY2023.

### Key financial indicators (audited)

| JMFPL – Standalone | FY2022 | FY2023 | FY2024 |
|---|---|---|---|
| **Total income** | 678 | 858 | 1,169 |
| **Profit after tax** | 129 | 318 | 427 |
| **Net total assets** | 6,520 | 6,602 | 6,953 |
| **Return on net worth** | 6.8% | 15.4% | 18.0% |
| **Gross gearing (times)** | 2.3 | 2.0 | 1.7 |
| **Gross NPA** | 2.1% | 0.5% | 1.3% |
| **CRAR** | 31.1% | 32.5% | 28.5% |

*Source: JMFPL, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore*

**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, fixed income, syndication and corporate/promoter finance, capital market related lending, private wealth management services for high-net-worth individual (HNI)/ultra HNI clients, and portfolio management services; (b) mortgage lending, which includes wholesale and retail mortgage lending (affordable housing loans); c) 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 and equity broking.

As on March 31, 2024, the consolidated loan book stood at Rs. 12,917 crore (Rs. 15,653 crore as on March 31, 2023), distressed credit business AUM at Rs. 14,500 crore (Rs. 13,558 crore as on March 31, 2023), private wealth management AUM at Rs. 68,105 crore (Rs. 56,515 crore as on March 31, 2023), retail and elite wealth AUM at Rs. 30,696 crore (Rs. 29,514 crore as of December 31, 2023) and mutual fund quarterly average AUM (QAAUM) at Rs. 5,819 crore (Rs. 2,969 crore as on March 31, 2023). The Group is headquartered in Mumbai and has a presence in ~814 locations spread across ~215 cities in India. JMFL's equity shares are listed in India on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

In May 2024, the management announced that while the focus on investment bank and platform AWS will continue, the wholesale credit business (real estate financing, bespoke, financial Institutions loans and distressed credit) will be pivoted to the distribution, syndication and alternatives model from the on-balance sheet lending model. The shift to the asset-light model is expected to take 3-4 years. The retail mortgage lending business will continue to be expanded through the Group's balance sheet. Focus in the distressed credit business will be on acquiring retail assets while resolving the existing AUM, which is dominated by wholesale assets.

JMFL reported a consolidated net profit (including share of non-controlling interest) of Rs. 31 crore on total income of Rs. 4,832 crore in FY2024 compared to Rs. 709 crore and Rs. 3,343 crore, respectively, in FY2023.

### Key financial indicators (audited)

| JMFL – Consolidated | FY2022 | FY2023 | FY2024 |
|---|---|---|---|
| Total income | 3,763 | 3,343 | 4,832 |
| Profit after tax (including the share of non-controlling interest and share in profit of associate) | 992 | 709 | 31^^ |
| Profit after tax (adjusted for the share of non-controlling interest) | 773 | 597 | 410 |
| Net total assets** | 25,762 | 29,318 | 29,711 |
| Return on net worth | 9.8% | 6.5% | 0.3% |
| Return on net worth (adjusted for the share of non-controlling interest) | 10.6% | 7.6% | 5.0% |
| Gross gearing (times)! | 1.2 | 1.4 | 1.5 |
| Gross NPA | 4.3% | 3.4% | 4.7% |
| CRAR@ | 39.4% | 38.6% | 37.0% |

*Source: JMFL, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore*

*^^ Exceptional loss of Rs. 847 crore booked in JMFARCL pertaining to higher provision/fair value losses in certain trusts of one large account in FY2024; ** Excluding goodwill on consolidation; ! Excludes borrowing for IPO financing segment and includes accrued interest; @ For JM Financial Credit Solutions Limited (JMFCSL), JM Financial Capital Limited (JMFCL), JMFPL and JM Financial Home Loans Limited (JMFHL)*

## Status of non-cooperation with previous CRA: Not applicable

## Any other information:

Certain entities in the Group also face prepayment risk, given the possibility of debt acceleration upon the breach of covenants, including financial covenants, operating covenants and rating-linked covenants. Upon failure to meet the covenants, if the company is unable to get waivers from the lenders/investors or the lenders/investors do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the ratings would face pressure.

## Rating history for past three years

| | Instrument | Type | Amount Rated (Rs. crore) | Rating (FY2025) | | 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 | | |
| | | | | Jul 05, 2024 | May 10, 2024 | Mar 14, 2024 | Oct 20, 2023 | May 11, 2023 | Oct 20, 2022 | Apr 21, 2022 | Jan 31, 2022 | Jul 16, 2021 | Jun 21, 2021 |
| 1 | NCD programme | Long term | 4,000.00 | [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) | [ICRA]AA (Stable) |
| 2 | MLD (PP) programme | Long term | 250.00 | PP-MLD[ICRA]AA (Stable) | PP-MLD[ICRA]AA (Stable) | PP-MLD[ICRA]AA (Stable) | PP-MLD[ICRA]AA (Stable) | PP-MLD[ICRA]AA (Stable) | PP-MLD[ICRA]AA (Stable) | PP-MLD[ICRA]AA (Stable) | PP-MLD[ICRA]AA (Stable) | PP-MLD[ICRA]AA (Stable) | PP-MLD[ICRA]AA (Stable) |
| 3 | Long-term fund-based bank lines | Long term | 2,000.00 | [ICRA]AA (Stable) | [ICRA]AA (Stable) | [ICRA]AA (Stable) | [ICRA]AA (Stable) | [ICRA]AA (Stable) | [ICRA]AA (Stable) | [ICRA]AA (Stable) | - | - | - |
| 4 | CP programme | Short term | 2,500.00 | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ |
| 5 | CP (IPO finance) programme | Short term | 1,500.00 | - | [ICRA]A1+; withdrawn | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ | [ICRA]A1+ |
| 6 | Bank lines (cash credit) | Long term | - | - | - | - | - | - | - | - | [ICRA]AA (Stable) | [ICRA]AA (Stable) | [ICRA]AA (Stable) |
| 7 | Bank lines (term loan) | Long term | - | - | - | - | - | - | - | - | [ICRA]AA (Stable) | [ICRA]AA (Stable) | [ICRA]AA (Stable) |
| 8 | Bank lines (unallocated) | Long term | - | - | - | - | - | - | - | - | [ICRA]AA (Stable) | [ICRA]AA (Stable) | [ICRA]AA (Stable) |

## Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|---|---|
| **NCD programme** | Simple* |
| **MLD-PP programme** | Complex^ |
| **Fund-based bank lines** | Simple |
| **Commercial paper** | Very Simple** |
| **Commercial paper (IPO finance)** | Very Simple^^ |

** For the utilised portion of Rs. 2,445.81 crore and subject to change based on the terms of issuance for the balance amount*
*^ For the utilised portion of Rs. 225.00 crore and subject to change based on the terms of issuance for the balance amount*
*** For the utilised portion of Rs. 485.00 crore and subject to change based on the terms of issuance for the balance amount*
*^^ For the utilised portion of Rs. 0.00 crore and subject to change based on the terms of issuance for the balance amount*

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 |
|---|---|---|---|---|---|---|
| INE523H07BH8 | NCD | Dec 03, 2020 | 8.65% | Dec 03, 2030 | 200.00 | [ICRA]AA (Stable) |
| INE523H07BJ4 | NCD | Feb 12, 2021 | 8.75% | Mar 12, 2031 | 95.00 | [ICRA]AA (Stable) |
| INE523H07BJ4 | NCD | Feb 24, 2021 | 8.75% | Mar 12, 2031 | | [ICRA]AA (Stable) |
| INE523H07BK2 | NCD | Mar 12, 2021 | 8.81% | Mar 12, 2031 | 155.00 | [ICRA]AA (Stable) |
| INE523H07BM8 | NCD | Jul 16, 2021 | 8.50% | Jul 16, 2031 | 90.00 | [ICRA]AA (Stable) |
| INE523H07BM8 | NCD | Jul 16, 2021 | 8.50% | Jul 16, 2031 | 100.00 | [ICRA]AA (Stable) |
| INE523H07BM8 | NCD | Jul 16, 2021 | 8.50% | Jul 16, 2031 | 35.00 | [ICRA]AA (Stable) |
| INE523H07BM8 | NCD | Jul 16, 2021 | 8.50% | Jul 16, 2031 | 80.00 | [ICRA]AA (Stable) |
| INE523H07AQ1 | NCD^ | Sep 11, 2019 | 0.00% | Sep 11, 2026 | 8.31 | [ICRA]AA (Stable) |
| INE523H07AV1 | NCD^ | Mar 16, 2020 | NA | Mar 16, 2025 | 4.14 | [ICRA]AA (Stable) |
| INE523H07AZ2 | NCD^ | Mar 16, 2020 | 9.90% | Mar 16, 2025 | 10.34 | [ICRA]AA (Stable) |
| INE523H07BA3 | NCD^ | Mar 16, 2020 | 9.48% | Mar 16, 2025 | 12.69 | [ICRA]AA (Stable) |
| INE523H07BB1 | NCD^ | Mar 16, 2020 | 10.00% | Mar 16, 2030 | 2.37 | [ICRA]AA (Stable) |
| INE523H07BC9 | NCD^ | Mar 16, 2020 | 9.57% | Mar 16, 2030 | 4.96 | [ICRA]AA (Stable) |
| INE523H07BN6 | NCD^ | Oct 07, 2021 | 91D T-Bill linked | Jan 07, 2025 | 54.24 | [ICRA]AA (Stable) |
| INE523H07BO4 | NCD^ | Oct 07, 2021 | 8.20% | Oct 07, 2026 | 377.13 | [ICRA]AA (Stable) |
| INE523H07BP1 | NCD^ | Oct 07, 2021 | 7.91% | Oct 07, 2026 | 61.83 | [ICRA]AA (Stable) |
| INE523H07BQ9 | NCD^ | Oct 07, 2021 | 8.30% | Feb 07, 2030 | 6.80 | [ICRA]AA (Stable) |
| INE523H07BT3 | NCD | Jul 13, 2022 | 8.65% | Jul 13, 2032 | 73.00 | [ICRA]AA (Stable) |
| INE523H07BT3 | NCD | Jul 27, 2022 | 8.65% | Jul 13, 2032 | 50.00 | [ICRA]AA (Stable) |
| INE523H07BT3 | NCD | Sep 6, 2022 | 8.65% | Jul 13, 2032 | 50.00 | [ICRA]AA (Stable) |
| INE523H07BU1 | NCD | Oct 28, 2022 | 8.50% | Apr 28, 2025 | 200.00 | [ICRA]AA (Stable) |
| INE523H07BV9 | NCD | Nov 16, 2022 | 8.50% | May 16, 2025 | 175.00 | [ICRA]AA (Stable) |
| INE523H07BW7 | NCD | Dec 01, 2022 | 8.50% | Jun 20, 2025 | 250.00 | [ICRA]AA (Stable) |
| INE523H07BX5 | NCD | Jun 23, 2023 | 8.80% | Dec 23, 2025 | 250.00 | [ICRA]AA (Stable) |
| INE523H07BY3 | NCD | Jun 27, 2023 | 8.90% | Dec 24, 2026 | 50.00 | [ICRA]AA (Stable) |
| INE523H07BZ0 | NCD | Jun 27, 2023 | 8.90% | Dec 26, 2025 | 50.00 | [ICRA]AA (Stable) |
| NA | NCD programme* | NA | NA | NA | 1,554.19 | [ICRA]AA (Stable) |
| INE523H07BR7 | MLD (PP) | Feb 21, 2022 | 10-yr G-Sec linked | Aug 21, 2024 | 100.00 | PP-MLD[ICRA]AA (Stable) |
| NA | MLD (PP) programme* | - | - | - | 150.00 | PP-MLD[ICRA]AA (Stable) |
| NA | Long-term fund-based bank lines | NA | NA | NA | 2,000.00 | [ICRA]AA (Stable) |
| INE523H141A5 | CP programme | Jul 28, 2023 | 8.60% | Jun 28, 2024 | 100.00 | [ICRA]A1+ |
| NA | CP programme * | NA | NA | 7-365 days | 2,400.00 | [ICRA]A1+ |

*Source: Company; ^ Public issuance; * Proposed; As of Jun 22, 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, 2024 | 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 Services Limited | 100% | |
| JM Financial Credit Solutions Limited | 46.68% | |
| JM Financial Asset Reconstruction Company Limited* | 58.28% | |

| Company Name | Ownership as on March 31, 2024 | Consolidation Approach |
|---|---|---|
| **JM Financial Home Loans Limited** | 94.02% | |
| **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*

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

** Effective shareholding in JM Financial Asset Reconstruction Company Limited increased to 76.45% pursuant to subscription to rights issue on May 29, 2024*

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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# ICRA Limited

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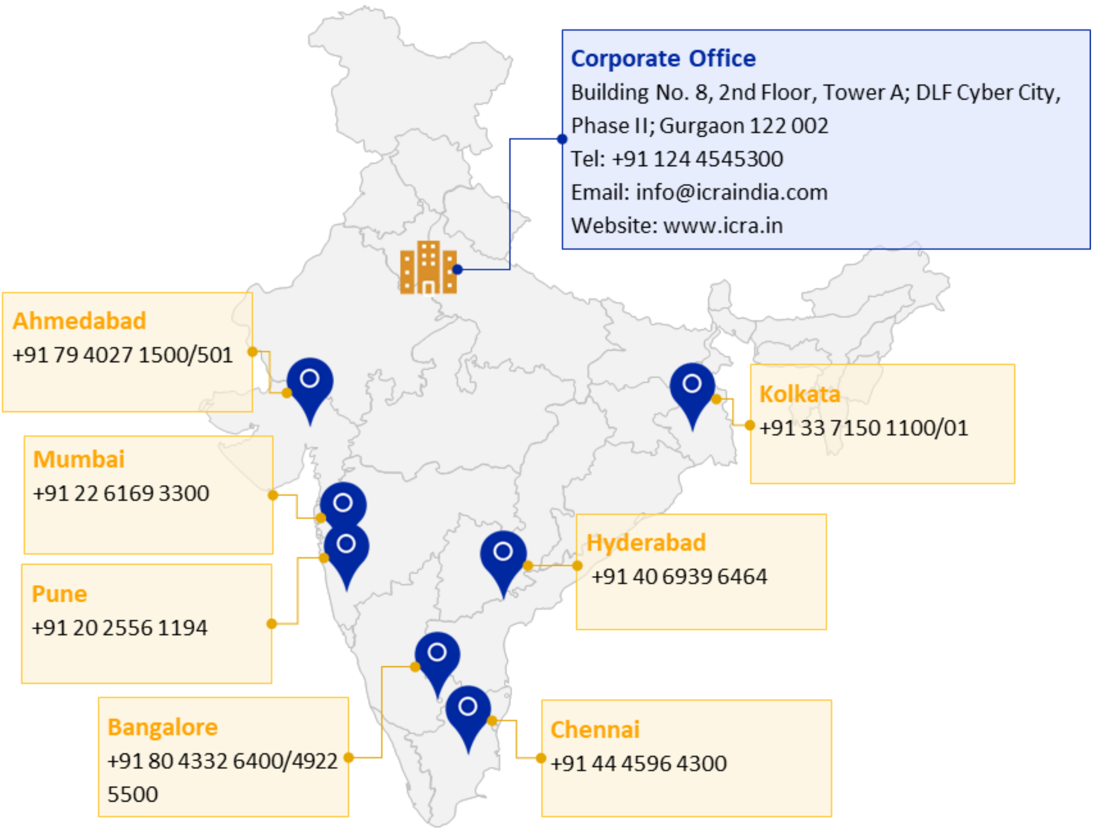
## Branches



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