

October 17, 2025

Julius Baer Capital (India) Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Commercial paper (CP) programme	5,500.00	5,500.00	[ICRA]A1+; reaffirmed
Total	5,500.00	5,500.00	

*Instrument details are provided in Annexure I

Rationale

The rating continues to factor in the strong parentage of Julius Baer Capital (India) Private Limited (JBCIL), as it is a part of Julius Baer Group (the Group). Julius Baer Group Limited (JBGL; rated Baa1/Stable by Moody's) is the ultimate holding company of the Group with assets under management of CHF¹ 483 billion as on June 30, 2025. Bank Julius Baer & Co Limited (BJB; rated A3/Stable by Moody's) is the main operating entity of the Group with wealth management operations across multiple geographies. JBCIL is a wholly-owned subsidiary of India-focussed Julius Baer Wealth Advisors (India) Private Limited (JBWA), which is wholly owned by JBGL. JBCIL provides loan against securities (LAS) only to the wealth clients of JBWA. Given the ownership structure, operational synergies and the shared brand name, ICRA expects the Group to provide timely funding support to JBCIL, if required. The Group has demonstrated its commitment towards JBCIL in the form of capital infusions in the past.

The rating also reflects JBCIL's adequate capitalisation and liquidity along with its effective risk management systems that draw from the Group's global risk management policies. ICRA notes the company's growing scale of operations and its dependency on the performance of the Group's broader wealth management operations in India. Additionally, the operations are also dependent on capital markets which inherently carries a higher risk profile due to the nature of the collateral. Nonetheless, despite its exposure to volatile capital markets, JBCIL has continued to report healthy asset quality, with nil gross non-performing assets (GNPAs) since inception. Its adequate capitalisation is characterised by a net worth of Rs. 1,038 crore², capital-to-risk weighted assets ratio (CRAR) of 23.4% and gearing of 3.7 times as on June 30, 2025. ICRA notes the management's stated intent of operating at a maximum leverage of ~4.8 times while maintaining capital-to-risk weighted assets ratio (CRAR) of at least 17-18% in the medium term. Considering the short-term nature of the LAS product, the borrowing profile remains dominated by commercial paper (CP). Despite this, JBCIL's liquidity position remains adequate with no negative cumulative mismatches across all maturity buckets. JBCIL's profitability profile remains modest constrained by its presence only in the loan against securities (LAS) segment, which is offered selectively to clients against specific eligible securities.

Key rating drivers and their description

Credit strengths

Strong parentage by virtue of being a part of Julius Baer Group – ICRA's rating for JBCIL remains supported by the ownership by Julius Baer Group. Given its parentage, JBCIL continues to enjoy operational, managerial and financial support from the Group. Moreover, as a part of Julius Baer Group, it has access to the high and ultra-high-net-worth individuals (HNWIs and UHNWIs), who form a part of the company's borrower groups. During FY2022-FY2024, JBCIL received periodic capital support from the ultimate parent (Rs. 442 crore) and ICRA expects the same to continue in case of contingencies/growth requirements.

¹ Swiss franc

² Adjusted for goodwill of Rs. 33 crore

The shared brand name, timely capital infusions and managerial oversight from JBGL support ICRA's opinion about JBCIL's importance to the Group.

JBW is the main operating entity of Julius Baer Group, which is a Swiss banking group focussed on wealth management and client-related services for HNWI and UHNWI, family offices, and external asset managers. The Group operates in around 25 countries across 60 locations. JBWA is the wealth management arm of the Group in India, managing a 5-6% share of the global assets under management (AUM), while JBCIL extends LAS, predominantly to JBWA's clients.

Adequate capitalisation – JBCIL's capitalisation profile remains adequate, despite the debt funded scale-up in the lending business. Also, to comply with liquidity coverage regulations, the company maintains on-balance sheet liquidity, primarily in cash and liquid investments, to cover debt obligations due over the next 1-2 months. This contributes to the increase in the leverage as well. As on June 30, 2025, its capitalisation profile was characterised by a net worth of Rs. 1,038 crore³, capital-to-risk weighted assets ratio (CRAR) of 23.4% and gearing of 3.7 times. The gearing level improved from 4.2 times as on March 31, 2025, following a strategic decision to exit certain non-wealth client relationships, which led to a contraction in the loan book and a corresponding reduction in leverage to 3.7 times as on June 30, 2025. ICRA notes the management's stated intent of operating at a financial leverage of up to ~4.8 times while maintaining CRAR of 17-18% in the medium term. Notably, JBCIL has not faced any asset quality challenges since inception. This, coupled with the relatively liquid collateral, is likely to keep the loss upon default low, providing comfort regarding the sufficiency of the capitalisation levels.

Track record of healthy asset quality – JBCIL's loan book is backed by equity shares, debt/equity mutual fund units and bonds. In line with domestic regulations, the loan-to-value (LTV) for LAS is capped at 50%⁴ while it is higher for loan against debt instruments and mutual funds. Furthermore, ICRA takes note of the company's effective risk management systems, which involve constant monitoring of the loan portfolio. This is depicted by the absence of instances of the company enforcing a security in the last several years because of the borrower failing to respond to a margin call⁵. JBCIL has continued to report healthy asset quality, with nil GNPA since inception.

Credit challenges

Susceptibility to volatility in capital markets – Given its LAS-focussed portfolio, JBCIL's loan book remains susceptible to volatility in the capital markets. Further, on the liability side, given the high dependence on money market borrowings, market volatility could constrain funding availability and rollover of CPs. Such volatility could impact the borrowing levels and scale of operations. Nonetheless, the company mitigates the same by keeping liquidity in the form of cash and liquid investments for the upcoming 1-2 months' CP maturities.

As on June 30, 2025, JBCIL had a loan book of Rs. 4,269 crore (Rs. 4,765 crore as on March 31, 2025 and Rs. 3,716 crore as on March 31, 2024). As its focus is on providing LAS to HNWI and UHNWI from the pool of JBWA's customers, the scale of operations is expected to have dependency on the performance of the Group's broader wealth management operations in India.

As far as concentration risk is concerned, JBCIL's top 10 and top 20 borrowers accounted for 25% and 41%, respectively, of its total advances as on June 30, 2025.

³ Adjusted for goodwill of Rs. 33 crore

⁴ Average LTV during FY2022 to FY2025 was 35%

⁵ A margin call gets triggered when a decline in the (fair/market) value of a collateral on a particular day results in the LTV ratio breaching the maximum permissible limit; in such a scenario, the borrower is allowed a specific period to top up the deficit in the collateral value (either through cash or in the form of acceptable securities), failing which the company would enforce the security

Between FY2020 and FY2024, JBCIL reported a 5-year average return on assets (RoA) and return on net worth (RoNW) of 1.9% and 7.2%, respectively, reflecting steady performance in line with its long-term trajectory. Following the systemic interest rate cuts announced by the Reserve Bank of India (RBI) in CY2025, the company benefited from a reduction in its incremental cost of borrowing. However, JBCIL passed on this benefit to its customers, maintaining its lending spread in Q1 FY2026. The marginal moderation in the RoA in Q1 FY2026 was primarily due to the decline in the operational scale. ICRA also notes that JBCIL's entry in the bond warehousing segment, undertaken on behalf of its clients, continues to support its revenue profile.

Liquidity position: Adequate

JBCIL largely offers LAS, a short-term loan product. Hence, despite short-term CP constituting almost the entire share of its borrowings, as on June 30, 2025, the cumulative gaps remained largely positive across most maturity buckets as per the asset-liability maturity (ALM) profile. As on June 30, 2025, the company had a free cash and bank balance of ~Rs. 560 crore and drawable but unutilised lines of Rs. 250 crore against CP outstanding of ~Rs. 3,884 crore (of which Rs. 2,813 crore was due for payment in the next six months). Further, healthy collections from the LAS book and JBCIL's demonstrated ability to raise funds provide comfort. Further, these loans are embedded with quarterly interest reset and are repayable on demand with a three-day prior notice, which can induce higher prepayments from the loan book.

Rating sensitivities

Positive factors – Not applicable

Negative factors – A material deterioration in the credit profile of the ultimate parent (JBGL) or any weakening in the likelihood of financial support from the ultimate parent will be a credit negative. A significant and sustained increase in JBCIL's leverage will also be a credit negative.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies
Parent/Group support	Ultimate parent: JBGL; Immediate parent: JBWA JBCIL is a wholly-owned subsidiary of JBWA, which is fully owned by JBGL (rated Baa1/Stable by Moody's).
Consolidation/Standalone	Standalone

About the company

Julius Baer Capital (India) Private Limited (JBCIL), registered as a middle layer, non-deposit taking non-banking financial company with the Reserve Bank of India (RBI), provides finance against capital market securities (equity shares, bonds and mutual funds) and complements the wealth management business of Julius Baer Wealth Advisors (India) Private Limited (JBWA). As on June 30, 2025, JBCIL's loan book stood at Rs. 4,269 crore.

JBCIL is a wholly-owned subsidiary of JBWA, which is ultimately held by Zurich-based Julius Baer Group Limited (JBGL). JBWA provides wealth management/advisory services to HNWI, UHNWI and their individual-centric commercial entities. It also has a presence in the equity broking business and received a portfolio management services (PMS) licence from the Securities and Exchange Board of India (SEBI) in July 2020.

JBGL offers various financial services, including structured finance products, investment advisory services, Lombard financing as well as security and foreign exchange trading services. It has a presence in Europe, Asia and South America. JBGL's AUM was CHF 483 billion as on June 30, 2025.

Key financial indicators (audited)

JBCIL	FY2024	FY2025	Q1 FY2026 [^]
Total income	310.4	478.6	114.3
Profit after tax	49.7	77.7	16.5
Net total managed assets*	4,004.5	5,338.9	4,935.4
Return on managed assets*	1.5%	1.7%	1.3%
Gross gearing (times)*	3.1	4.2	3.7
Gross NPA	0.0%	0.0%	0.0%
CRAR	25.2%	20.5%	23.4%

Source: Company, ICRA Research; Amount in Rs. crore; All ratios as per ICRA's calculations; [^] Limited review; * Net worth and total assets excluding goodwill

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Oct 17, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
CP programme	Short term	5,500	[ICRA]A1+	Jun 27, 2024	[ICRA]A1+	Jun 26, 2023	[ICRA]A1+	Jun 15, 2022	[ICRA]A1+
				Sep 25, 2024	[ICRA]A1+	Dec 6, 2023	[ICRA]A1+	-	
				Nov 18, 2024	[ICRA]A1+	Feb 22, 2024	[ICRA]A1+		

Complexity level of the rated instruments

Instrument	Complexity indicator
CP programme	Very simple

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
INE824H14QR3	CP programme	Nov 25, 2024	8.38	Nov 25, 2025	200.0	[ICRA]A1+
INE824H14QU7	CP programme	Nov 29, 2024	8.38	Nov 28, 2025	200.0	[ICRA]A1+
INE824H14RC3	CP programme	Jan 14, 2025	8.65	Jan 14, 2026	375.0	[ICRA]A1+
INE824H14RG4	CP programme	Jan 17, 2025	8.56	Dec 30, 2025	100.0	[ICRA]A1+
INE824H14RE9	CP programme	Jan 17, 2025	8.65	Jan 16, 2026	50.0	[ICRA]A1+
INE824H14RF6	CP programme	Jan 17, 2025	8.56	Dec 23, 2025	50.0	[ICRA]A1+
INE824H14RH2	CP programme	Jan 22, 2025	8.65	Jan 22, 2026	200.0	[ICRA]A1+
INE824H14RF6	CP programme	Jan 23, 2025	8.56	Dec 23, 2025	100.0	[ICRA]A1+
INE824H14RF6	CP programme	Jan 24, 2025	8.56	Dec 23, 2025	200.0	[ICRA]A1+
INE824H14RO8	CP programme	Mar 13, 2025	8.15	Mar 13, 2026	250.0	[ICRA]A1+
INE824H14RQ3	CP programme	Mar 24, 2025	8.05	Mar 24, 2026	250.0	[ICRA]A1+
INE824H14SA5	CP programme	Jul 22, 2025	6.43	Oct 20, 2025	255.0	[ICRA]A1+
INE824H14SB3	CP programme	Jul 25, 2025	6.43	Oct 24, 2025	100.0	[ICRA]A1+
INE824H14SC1	CP programme	Aug 05, 2025	6.43	Nov 04, 2025	150.0	[ICRA]A1+
INE824H14SD9	CP programme	Aug 08, 2025	7.00	May 19, 2026	100.0	[ICRA]A1+
INE824H14SE7	CP programme	Aug 12, 2025	6.43	Nov 11, 2025	300.0	[ICRA]A1+
INE824H14SF4	CP programme	Aug 22, 2025	6.44	Nov 21, 2025	225.0	[ICRA]A1+
INE824H14SH0	CP programme	Sep 02, 2025	6.68	Dec 02, 2025	200.0	[ICRA]A1+
INE824H14SG2	CP programme	Sep 03, 2025	6.68	Dec 03, 2025	100.0	[ICRA]A1+
INE824H14SI8	CP programme	Sep 10, 2025	6.84	Dec 10, 2025	150.0	[ICRA]A1+
INE824H14SI8	CP programme	Sep 11, 2025	6.88	Dec 10, 2025	250.0	[ICRA]A1+
INE824H14SJ6	CP programme	Sep 16, 2025	6.85	Dec 16, 2025	200.0	[ICRA]A1+
INE824H14SK4	CP programme	Sep 17, 2025	7.25	May 21, 2026	200.0	[ICRA]A1+
INE824H14SL2	CP programme	Sep 23, 2025	7.23	Jun 18, 2026	100.0	[ICRA]A1+
INE824H14SL2	CP programme	Sep 25, 2025	7.23	Jun 18, 2026	50.0	[ICRA]A1+
INE824H14SM0	CP programme	Oct 08, 2025	6.90	Jan 07, 2026	150.0	[ICRA]A1+
-	CP programme (yet to be placed)	-	-	7-365 days	995.0	[ICRA]A1+

Source: Company; As on October 8, 2025

Annexure II: List of entities considered for consolidated analysis

Not applicable

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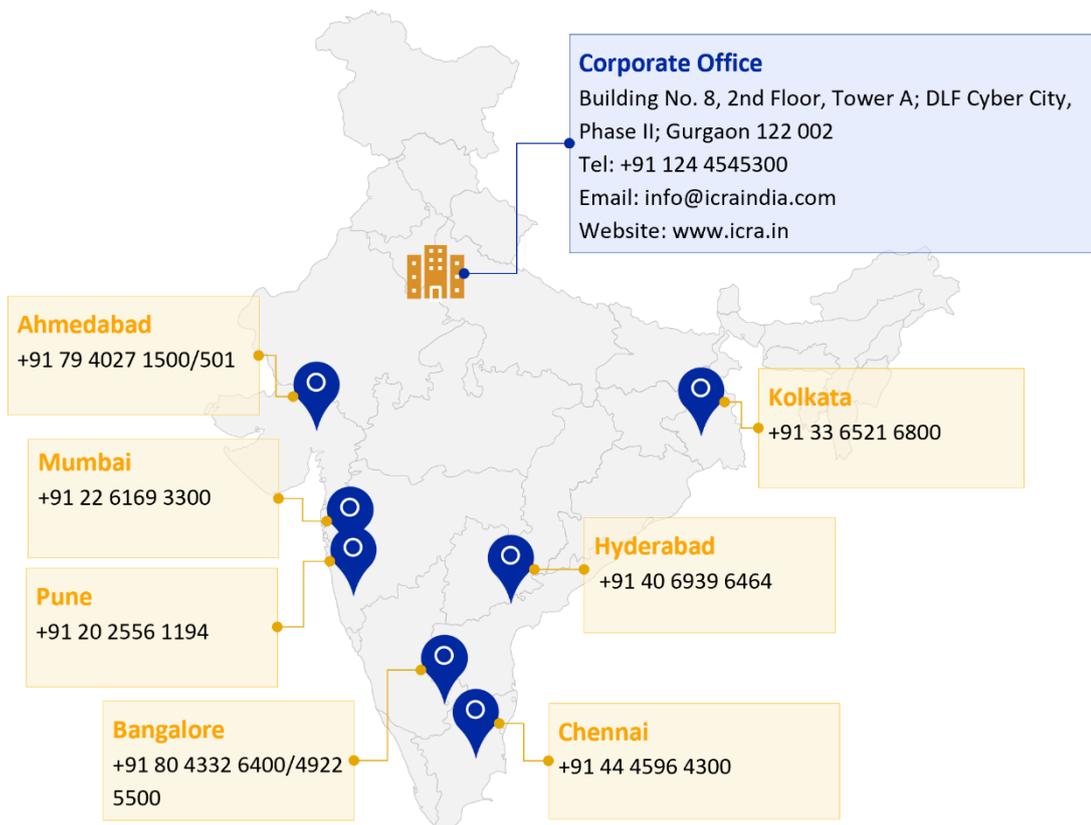
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