

February 11, 2026

## JM Financial Asset Management Limited: Rating assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Commercial paper programme	100.0	[ICRA]A1+; assigned
<b>Total</b>	<b>100.0</b>	

\*Instrument details are provided in Annexure I

### Rationale

The assigned rating factors in JM Financial Asset Management Limited's (JMAMC) strong parentage, as it is a part of the JM Financial Group<sup>1</sup>, which has an established franchise in the domestic financial services industry. The Group has over five decades of experience in the investment banking and securities businesses. It has progressively diversified its offerings across capital markets, distribution, asset management and allied services. Over the past decade, it has also ventured into lending and asset reconstruction. In FY2025, the management announced a strategic pivot in its business model, with asset management being one of the key focus areas in the medium term. This makes JMAMC a strategically important entity for the Group, as it houses the asset management business. The company has strong linkages with JM Financial Limited (JMFL; rated [ICRA]AA (Stable)/[ICRA]A1+), the parent company, as evidenced by the shared brand name, and ICRA expects operational, managerial and financial support to be forthcoming in case of exigencies.

While assigning the rating, ICRA has noted JMAMC's small scale of operations, evidenced by quarterly average assets under management (QAAUM) of Rs. 14,344 crore in the mutual fund business as of December 2025 (Rs. 13,831 crore as of March 2025 and Rs. 5,819 crore as of March 2024), despite commencing operations in 1994. Additionally, it had an AUM of Rs. 450 crore in the alternative investment fund (AIF) businesses as of December 2025. Further, the company is yet to achieve breakeven, with losses in consecutive years amid elevated operating expenses owing to the ongoing scale-up in the employee base and physical/digital infrastructure. JMAMC's ability to profitably scale up its operations remains a key monitorable. Further, the segment is also characterised by intense competition and an evolving regulatory landscape. For instance, the recent guidelines issued by the Securities and Exchange Board of India (SEBI) pertaining to the rationalisation of the expense ratio of mutual funds could further impact the company's profitability trajectory. Moreover, the asset management business relies on an established brand and franchise for client acquisition and retention and is susceptible to reputational risks arising from investment underperformance, mis-selling, or misrepresentation.

### Key rating drivers and their description

#### Credit strengths

**Strong parentage of JM Financial Group and synergies arising from access to an established franchise** – The JM Financial Group is a diversified financial services player with an established track record and franchise. It has a presence in investment banking, broking, wealth management, investment advisory services, asset management, private equity, lending and asset reconstruction. On a consolidated basis, the Group's revenue stream remains diversified, with corporate advisory and capital markets, wealth and asset management, private markets, affordable home loans and treasury accounting for 25%, 33%, 31%, 10% and 1%, respectively, of the consolidated revenue as of H1 FY2026.

<sup>1</sup> JMFL and its subsidiaries and associates are collectively referred to as the JM Financial Group or the Group

In FY2025, the management announced a strategic pivot in its business model, with asset management being one of the key focus areas in the medium term. This makes JMAMC a strategically important entity for the Group, as it houses the asset management business. JMFL held ~60% of JMAMC's shareholding as of December 2025, while the balance was held by the promoter and promoter-owned entities. Along with common branding, the Group has invested Rs. 164 crore in aggregate in the AMC till March 31, 2025, with ~Rs. 30 crore infused in FY2025 in the form of partly paid equity shares. Besides regular capital infusions, the Group has sanctioned intercorporate loan facilities to JMAMC, and the company periodically utilises these lines for its operational requirements. The company enjoys financial flexibility through its association with the Group, and it had no external borrowings as of September 2025, it owing to its association. As of September 2025, JMFL had two positions on JMAMC's eight-member board (including four independent directors). ICRA expects JMFL and the Group entities to continue extending managerial and financial support to the company.

The JM Financial Group has over five decades' experience in the investment banking and other capital market-related businesses, which can be leveraged by JMAMC for cross-selling opportunities. The company has strong linkages with JMFL, the parent company, as evidenced by the shared brand name, and ICRA expects operational, managerial and financial support to be forthcoming in case of exigencies.

### Credit challenges

**Ability to profitably scale up operations** – JMAMC had a QAAUM of Rs. 14,344 crore as of December 2025 across 16 equity and fixed-income mutual fund schemes. Additionally, the company managed two Category II AIFs with an AUM of Rs. 450 crore as of December 2025. The scale of operations remains small, with a market share of 0.2% in the mutual fund segment. Further, operating expenses are on an increasing trajectory amid the scale-up in operations, with the company expanding its employee base and physical and digital infrastructure. The elevated operating expenses, coupled with limited revenues owing to range-bound AUM, have resulted in the company reporting losses in consecutive years. JMAMC reported a net loss of Rs. 43 crore in FY2025 compared to Rs. 29 crore in FY2024. In H1 FY2026, the company reported a net loss of Rs. 26 crore. ICRA notes the management's stated intent to scale the asset management business in the medium term. The company's ability to scale up the AUM and achieve breakeven remains imperative from a credit perspective.

**Elevated competition, franchise/reputational risks, and evolving regulatory environment** – Given the highly regulated nature of the industry, capital market-related entities face significant regulatory risk. Ensuring compliance with evolving regulations is crucial. Regulatory changes, such as the recent SEBI guidelines on the rationalisation of the expense ratio of mutual funds, have a bearing on the profitability trajectories of players. Additionally, the AIF segment is also prone to evolving regulations. The sector is also characterised by intense competition, which could impact the ability to scale the AUM. However, the increasing financialisation of savings offers potential for expansion. Despite this, pressure on profitability during a downturn cannot be ruled out. Moreover, the asset management business relies on an established brand and franchise for client acquisition and retention and is susceptible to reputational risks arising from investment underperformance, mis-selling, or misrepresentation.

### Liquidity position: Adequate

As on September 30, 2025, JMAMC had unencumbered on-balance sheet liquidity comprising cash and bank balances and investments aggregating Rs. 115 crore, while it had no external borrowings. ICRA notes that the company has access to intercorporate loan facilities from the Group. JMFL's shareholders have passed an enabling resolution for transactions with JMAMC (including providing loans/ICDs/investments) of up to Rs. 100 crore in a financial year from the ultimate parent company, which can be drawn, if required. In addition, similar arrangements exist with other Group companies. In FY2025, the cumulative ICDs utilised from the parent and Group companies stood at Rs. 35 crore.

## Rating sensitivities

**Positive factors** – Not applicable

**Negative factors** – A deterioration in the Group’s credit profile and/or any weakening in the linkages with the parent would be a credit negative. Further, the ratings may also face pressure if the company is unable to scale up its operations and improve its financial profile.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate credit rating methodology</a>
Parent/Group support	JM Financial Group (i.e., JMFL, the parent company)
Consolidation/Standalone	JMAMC (standalone)

## About the company

JM Financial Asset Management Limited (JMAMC) is a subsidiary of JM Financial Limited, which held a 60% stake in the company as of December 2025. The balance stake is held by J.M. Financial and Investment Consultancy Services Private Limited (28%), Mr. Nimesh Kampani and Ms. Aruna Kampani (6%) and J.M. Asset Management Private Limited (6%). Incorporated in 1994 as J.M. Capital Management Private Limited, the company houses the asset management business of the Group, comprising the mutual fund and AIF businesses. In the mutual fund business, it had a QAAUM of Rs. 14,344 crore as of December 2025 across 16 schemes (equity and debt). The company also manages two AIFs, with an AUM of Rs. 450 crore as of December 2025. JMAMC reported a net loss of Rs. 26 crore in H1 FY2026 compared to a net loss of Rs. 43 crore in FY2025. The net worth stood at Rs. 131 crore as of September 2025, with a gearing of 0.1 times.

## Key financial indicators (audited)

JMAMC – Standalone	FY2024	FY2025	H1 FY2026 <sup>^</sup>
Operating income	15	30	19
PAT	-29	-43	-26
OPBDIT/OI	-268%	-157%	-149%
PAT/OI	-197%	-139%	-133%
Total outside liabilities/Tangible net worth (times)	0.2	0.2	0.5
Total debt/OPBDIT (times)	-0.5	-0.1	-0.5
Interest coverage (times)	-110.6	-12.2	-31.9

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore; <sup>^</sup> Limited review

## 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 and the management of private equity fund(s) at the standalone level, the consolidated operations encompass (a) corporate advisory and capital markets, catering to institutions, corporates, promoters, Government and UHNI clients, and services such as investment banking, institutional equities and research; (b) wealth and asset management, including wealth management, retail securities broking and the distribution of PMS, AIFs and mutual funds; (c) private markets, comprising private credit (corporate, bespoke, real estate and distressed credit) and investments (private equity funds, real estate investment trusts, etc.); and (d) the affordable housing finance business.

JMFL reported a consolidated net profit (excluding non-controlling interest and including its share in the profit from associates) of Rs. 721 crore in H1 FY2026 on a total income of Rs. 2,166 crore. Earlier, it had reported a consolidated net profit (excluding non-controlling interest and including its share in the profit from associates) of Rs. 774 crore in FY2025 (Rs. 31 crore in FY2024) on a total income of Rs. 4,453 crore (Rs. 4,832 crore in FY2024).

### Key financial indicators (audited)

JMFL – Consolidated	FY2024	FY2025	H1 FY2026 <sup>^</sup>
Total income	4,832	4,453	2,166
Profit after tax (including the share of non-controlling interest and share in profit of associate)	31 <sup>^^</sup>	774	721
Profit after tax (adjusted for the share of non-controlling interest)	410	821	724
Total assets <sup>**</sup>	29,711	24,452	24,531
Return on total assets	0.1%	2.8%	5.8%
Gross gearing (times) <sup>@</sup>	1.5	1.1	1.1
Gross NPA	4.7%	11.7%*	10.9%*
CRAR <sup>#</sup>	37.0%	36.9%	29.5%

Source: JMFL, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; <sup>^</sup> Limited review

<sup>^^</sup> Exceptional loss of Rs. 847 crore booked in JM FARCL pertaining to higher provision/fair value losses in certain trusts of a large account in FY2024

\* Given the pivot to the asset-light model in the private credit space and increased focus on distribution and syndication, the on-balance sheet loan book has contracted with an optical impact on the asset quality indicators

\*\* Excluding goodwill on consolidation; <sup>@</sup> Excludes borrowing for IPO financing segment and includes accrued interest; <sup>#</sup> For JM Financial Credit Solutions Limited (JMFCSL), JM Financial Products Limited (JMFPPL) and JM Financial Home Loans Limited (JM FHL)

### 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 they do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the ratings would face pressure.

Two members of the board of directors of ICRA Limited are also Independent Directors on JMFL's board. These directors were not involved in any of the discussions and processes related to the rating(s) of the instrument(s) mentioned herein.

### Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Feb 11, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
CP programme	Short term	100.0	[ICRA]A1+	-	-	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity indicator
Commercial paper programme	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
NA	CP programme*	-	-	7-375 days	100.0	[ICRA]A1+

Source: Company; \* Proposed; As on January 31, 2026

**Annexure II: List of entities considered for consolidated analysis: Not applicable**

## ANALYST CONTACTS

**Karthik Srinivasan**  
+91 22 6114 3444  
[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

**Anil Gupta**  
+91 124 4545 314  
[anilg@icraindia.com](mailto:anilg@icraindia.com)

**Deep Inder Singh**  
+91 124 4545 830  
[deep.singh@icraindia.com](mailto:deep.singh@icraindia.com)

**Komal Mody**  
+91 22 6114 3424  
[komal.mody@icraindia.com](mailto:komal.mody@icraindia.com)

**Kruti Jagad**  
+91 22 6114 3447  
[kruti.jagad@icraindia.com](mailto:kruti.jagad@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto:info@icraindia.com)

## 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.

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.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



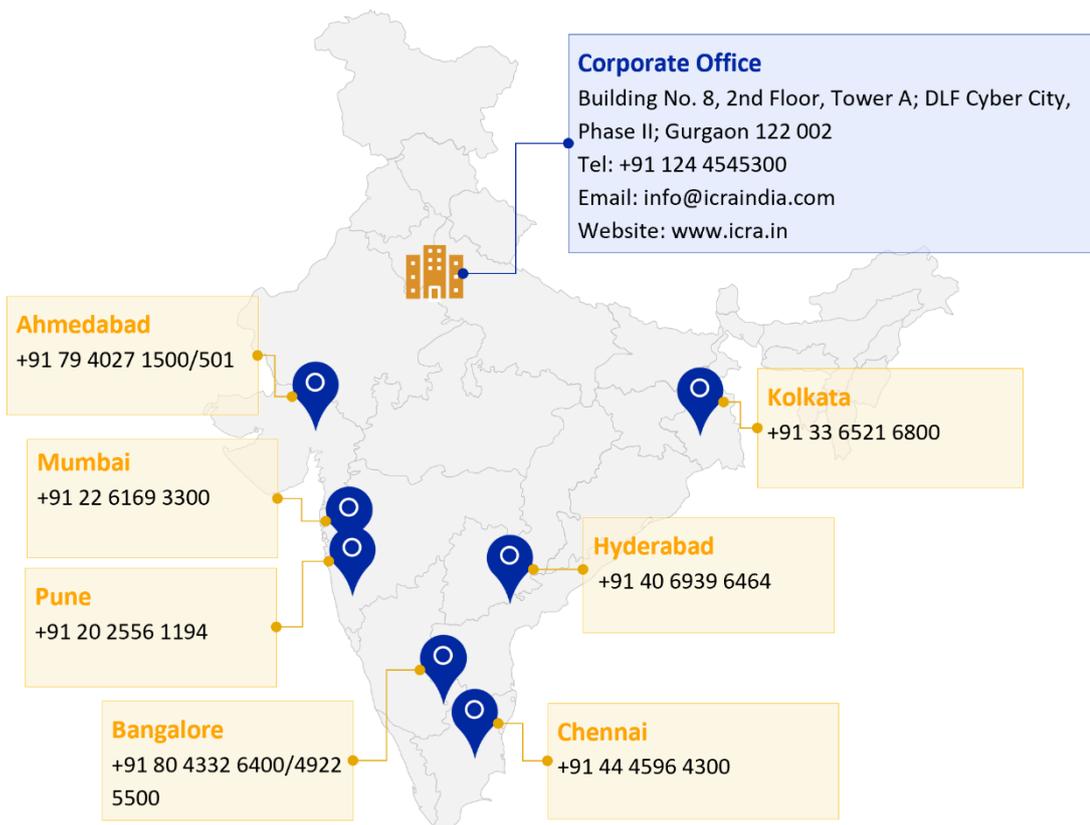
### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



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