July 09, 2021

JM Financial Credit Solutions Limited: Ratings reaffirmed; [ICRA]AA (Stable) assigned to fresh NCD programme

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture (NCD) Programme	4,060.40	4,060.40	[ICRA]AA (Stable); reaffirmed
NCD Programme	0.00	1,439.60	[ICRA]AA (Stable); assigned
NCD Programme	439.60	0.00	[ICRA]AA (Stable); reaffirmed and withdrawn
Long-term Credit Lines (Cash Credit)	185.00	185.00	[ICRA]AA (Stable); reaffirmed
Long-term Credit Lines (Term Loan)	2,050.00	2,105.00	[ICRA]AA (Stable); reaffirmed
Long-term Credit Lines (Unallocated)	1,565.00	510.00	[ICRA]AA (Stable); reaffirmed
Long-term Market Linked Debentures (Principal Protected) {MLD (PP)} Programme	300.00	300.00	PP-MLD[ICRA]AA (Stable); reaffirmed
Commercial Paper (CP) Programme	1,000.00	1,000.00	[ICRA]A1+; reaffirmed
Total	**9,600.00**	**9,600.00**	

**Instrument details are provided in Annexure-1*

Rationale

ICRA has withdrawn the rating assigned to the Rs. 439.60-crore NCD programme of JM Financial Credit Solutions Limited (JMFCSL) as there is no amount outstanding against the rated instrument. The rating has been withdrawn at the request of the company and as per ICRA's policy on the withdrawal and suspension of credit ratings.

The assigned ratings factor in the demonstrated track record and established franchise of the JM Financial Group (the Group) in the domestic financial services industry, its diversified revenue stream and healthy financial profile with steady profitability and an adequate capitalisation level. While assigning the ratings, ICRA has taken a consolidated view of the Group (i.e. JM Financial Limited (JMFL) on a consolidated basis) due to the close linkages between the Group entities, given the common promoters and senior management team, shared brand name, and strong financial and operational synergies. Moreover, ICRA expects the financial, managerial and operational support from the Group to continue to be available to all key Group companies.

The strengths are partially offset by the exposure to the volatility in capital markets and the portfolio concentration and inherent risk profile of the key segments (like real estate and promoter funding) in the wholesale lending segment (~85% of the total book as on March 31, 2021). The real estate sector has been facing a prolonged slowdown due to subdued sales and lack of funding access. The spread of the Covid-19 pandemic and the resulting nationwide lockdown further impacted the sector. ICRA notes that while regulatory and government interventions eased some pressure on the developers, a sustained pickup in sales across geographies is key for the developers over the medium term. Although a pickup in residential sales and collections was witnessed in H2 FY2021, the second wave of the pandemic impeded the sales momentum.

JMFL's asset quality, though healthy, moderated in recent quarters with the gross non-performing assets (GNPAs) increasing to 3.50% of the loan book as on March 31, 2021 from 1.79% as on December 31, 2020[1] and 1.65% as on March 31, 2020 (partly due to the base effect of a declining loan book). The special mention accounts-2 (SMA 2) stood at 2.94% of the loan book as on March 31, 2021 compared to 6.19%[1] as on December 31, 2020 and 2.64% as on March 31, 2020. Additionally, ~19% of the loan book had been restructured under the Covid-19-related regulatory package/extension of date of commencement of commercial operations (DCCO). While the asset quality remains a key monitorable, the presence of adequate collateral and the Group's conservative underwriting norms, adequate risk management systems and proactive monitoring and resolution process provide comfort.

The Group's capitalisation profile is healthy, with the leverage being lower than that of its peers, which provides it with financial flexibility as well as the ability to absorb losses, if needed. JMFL's consolidated net worth was Rs. 9,552.3 crore as on March 31, 2021, with a capital adequacy ratio (CRAR) of 40.2%. The company raised equity capital of Rs. 770 crore in June 2020 to shield itself from the uncertainties surrounding the pandemic and its impact on the economy. Supported by the capital raise, the Group's net gearing improved to 0.7 times as on March 31, 2021 from 1.0 times as on March 31, 2020. It made additional provisions (including a fair value loss) of Rs. 175.2 crore in Q4 FY2020 and Rs. 207.5 crore in FY2021 (1.7% of average total assets) towards the potential impact of the pandemic, as assessed by the management, on the business. Going forward, the Group's ability to manage its asset quality over the near-to-medium-term would remain critical. The ratings also consider the risks associated with the distressed assets business, given the nature of the underlying assets, the focus on large-ticket exposures, the protracted resolution process and the uncertainty associated with the same.

While assigning the ratings, ICRA has noted the continued challenges in resource mobilisation stemming from the current operating environment and the risk-averse sentiment of investors towards non-banks, particularly wholesale-oriented entities. Given the prominence of the lending business in the Group's revenue profile, its ability to manage its asset and liability profile, particularly considering the current operating environment, would remain critical. However, ICRA notes that the Group raised ~Rs. 1,000 crore of term loans and Rs. 2,122 crore of NCDs in FY2021, and that the cost of incremental borrowings has been declining. Following the onset of the liquidity crisis for non-banking financial companies (NBFCs), there has been a change in the Group's debt maturity profile with the share of short-term debt declining to ~9% as on March 31, 2020 from ~27% as on March 31, 2019. The share of short-term debt has since increased to ~22% as on March 31, 2021, largely in line with the increase in short-term assets.

Going forward, the Group's ability to generate adequate fee income and scale up its lending operations, while controlling the asset quality and maintaining a healthy profitability, capitalisation and asset liability profile, would remain critical from a credit perspective.

Key rating drivers and their description

Credit strengths

Established position of the Group in financial services industry – The Group is a diversified financial services entity with a presence in investment banking, retail and institutional equity broking, wealth management, investment advisory services, portfolio management, asset management, commodity broking, securities-based lending, corporate lending, real estate lending, private equity, and asset reconstruction. It is one of the leading entities in capital markets and related businesses with a key focus on investment banking and merchant banking operations and has been a part of many marquee deals. On a consolidated basis, the Group's revenue stream remains well diversified with the investment banking, wealth management & securities (IWS) business, mortgage lending, distressed credit and asset management businesses contributing 49%, 38%, 12% and 1%, respectively, in FY2021.

Diversification in business profile – The Group, which forayed into the non-capital market lending business in 2008, subsequently diversified its lending portfolio to wholesale mortgage, retail mortgage, and corporate lending. It forayed into the small and medium enterprises (SME) segment in FY2017 and housing finance in FY2018. Currently, the lending business

[1] GNPAs would have been 3.57% of the loan book and SMA 2 would have been 4.41% of the loan book as on December 31, 2020 without considering the Supreme Court's stay order on the NPA classification of assets post the end of the moratorium on August 31, 2020

has emerged as a key contributor to revenues. On an overall basis, the Group's loan book contracted by ~6% to Rs. 10,854 crore as on March 31, 2021 from Rs. 11,531 crore as on March 31, 2020 (peak level of Rs. 17,108 crore as on September 30, 2018).

While the granular loan book (capital markets and retail mortgage) posted growth in FY2021, the wholesale loan book declined, given the strong collections witnessed in H2 FY2021. The share of wholesale loans in the total portfolio thus declined to ~85% as on March 31, 2021 from ~90% as on March 31, 2020. As on March 31, 2021, wholesale mortgage, corporate lending, capital markets lending, retail mortgage and wealth loan against property (LAP) accounted for 66%, 19%, 7%, 7% and 1%, respectively, of the loan book. The retail mortgage book, one of the focus areas for the Group, grew by ~30% YoY to Rs. 744 crore as on March 31, 2021. While lending has emerged as the largest business activity for the Group, the fee-based businesses continue to account for a sizeable share of the net operating income[2] (~45% in FY2021).

Adequate capitalisation and low leverage at Group level – The Group's capitalisation remains adequate with a consolidated net worth (including non-controlling interest of the Group and net of goodwill on consolidation) of Rs. 9,552.3 crore and a CRAR of 40.2% as on March 31, 2021 (Rs. 7,993 crore and 38.7%, respectively, as of March 31, 2020). The total borrowings at the consolidated level increased to Rs. 12,369 crore as on March 31, 2021 from Rs. 11,756 crore as on March 31, 2020 (peak debt of Rs. 17,794 crore as on September 30, 2018).

The Group had raised equity capital of Rs. 1,380 crore from external investors during FY2018-FY2019, thereby supporting the overall capitalisation levels and helping it maintain a low leverage. JMFL raised Rs. 770-crore equity through the qualified institutional placement (QIP) route in Q1 FY2021, which further enhanced the Group's capitalisation profile. The consolidated gearing was low at 1.29 times as on March 31, 2021 (1.47 times as on March 31, 2020) compared to 1.11 times as on December 31, 2020. The Group's capitalisation profile remains healthy, with lower leverage compared to peers, and provides adequate cushion against losses, if required. With the Group adopting a conservative approach towards wholesale lending and planning to increase its focus on retail lending, the leverage is expected to remain low over the near term. Over the medium term, the management intends to maintain the gearing under 3 times for the real estate lending business and 2 times for the distressed credit business.

Adequate profitability indicators – The Group's total income declined marginally to Rs. 3,227 crore in FY2021 from Rs. 3,454 crore in FY2020 owing to a moderation in the performance of the asset management business and the distressed assets business. JMFL reported a consolidated net profit (net of non-controlling interest) of Rs. 590 crore in FY2021 with adequate return on assets (RoA)[3] of 3.7% (3.6% in FY2020). The return on equity (RoE)[3] moderated to 9.2% in FY2021 from 10.2% in FY2020. The net interest margins (NIMs), which remained stable at 6.6% in FY2020 with the transmission of the increase in the cost of funds to the borrowers, improved to 7.5% in FY2021 as the average cost of borrowings moderated to 10.0% in Q4 FY2021 from 10.2% in Q4 FY2020. While the declining loan book and higher provision expenses (including the provisions for the estimated Covid-19 impact on the business) constrained the profitability of the lending business, robust fee and brokerage income and higher gains from fair value changes supported the Group's profitability in FY2021.

Credit challenges

Fund-raising challenges for non-bank financiers impacting business; ability to maintain asset and liability profile remains critical – The operating environment for NBFCs and housing finance companies (HFCs), especially entities with sizeable real estate exposure, has remained challenging since September 2018. The risk-averse sentiment of lenders/investors towards real estate lenders has constrained the ability of NBFCs and HFCs, including JMFL, to mobilise long-term resources from diversified sources. Though the cost of funds moderated in FY2021, the same remains high. This, coupled with the subdued macro-economic and operating environment, has impacted JMFL's ability to grow the lending business and the margins (even for the non-real estate lending businesses). While the Group raised long-term funds of ~Rs. 3,123 crore in FY2021, the same was largely used for meeting debt repayment obligations and reducing commercial paper (CP) borrowings. The Group raised ~Rs.

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[2] *Net operating income = Revenue from operations (excludes net gain on derecognition of financial assets and investments carried at fair value) less finance cost and sub-brokerage, fee and commission expense*

[3] *RoA and RoE are as per ICRA's calculations*

1,000 crore of term loans and Rs. 2,122 crore of NCDs in FY2021. ICRA notes that the Group has tied up sizeable 10-year money during the current quarter and has also raised term money from a mutual fund.

JMFL's debt maturity profile has changed following the onset of the liquidity crisis for NBFCs. As on March 31, 2020, the share of short-term debt in the total borrowings was ~9% compared to ~27% as on March 31, 2019. The same, however, increased to ~22% as on March 31, 2021. ICRA notes that these short-term liabilities, predominantly in the form of CP and short-term loans, are largely matched by assets with similar maturity such as capital market and trading assets. Given the rising prominence of the lending business, the Group's ability to manage its asset and liability profile would remain critical. ICRA takes comfort from the Group's adequate liquid assets (cash and liquid investments) of Rs. 5,351 crore and undrawn bank lines of Rs. 659 crore as on March 31, 2021, and its ability to raise funds from the market when required, as demonstrated in the past.

High concentration and inherent credit risk in wholesale segment; moderation in asset quality in current fiscal – The Group's loan portfolio largely comprises wholesale lending (~85% of the total book as on March 31, 2021), which includes real estate, promoter funding and corporate loans. The concentration in the wholesale segment could result in a sharp deterioration in the asset quality in case of slippages. The risks are further aggravated by the pandemic-induced stress on the operating environment, which was already facing challenges due to the continued slowdown in the real estate sector and the liquidity squeeze faced by developers and financiers. While residential real estate sales picked up in H2 FY2021, the momentum was impeded by the second wave of the pandemic. A sustained pickup in sales across geographies is key for the sector over the medium term.

The Group's asset quality, though healthy, moderated in recent quarters with the GNPAs increasing to 3.50% of the loan book as on March 31, 2021 from 1.79% as on December 31, 2020 and 1.65% as on March 31, 2020 (partly due to the base effect of a declining loan book). SMA 2 was 2.94% of the loan book as on March 31, 2021 compared to 6.19% as on December 31, 2020 and 2.64% as on March 31, 2020. Additionally, ~19% of the loan book was restructured under the Covid-19-related regulatory package/extension of the DCCO.

In ICRA's view, the Group's asset quality indicators remain comfortable despite the moderation in recent quarters. The Group's ability to maintain a healthy asset quality in the near term, with the pandemic-linked regulatory forbearance having ended, will be critical from a credit perspective. The presence of adequate collateral and the Group's conservative underwriting norms, adequate risk management systems, and proactive monitoring and resolution process provide comfort. ICRA also draws comfort from the Group's leverage being lower than that of its peers, which provides it with the ability to absorb losses if needed.

Risks associated with distressed assets business given the nature of underlying assets, uncertainty associated with resolution process and large-ticket exposures – The Group, through JM Financial Asset Reconstruction Company Limited (JMFARC), is one of the prominent players in the asset reconstruction business, with distressed credit assets under management (AUM) of Rs. 11,060 crore as on March 31, 2021. JMFARC focusses 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, and the high degree of engagement required with promoters. This, along with the inherent risks in the industry, given the nature of the underlying asset class and the company's strategy of focussing on resolution through the revival of operations and debt restrictions, can result in a protracted process. The presence in the corporate and SME portfolios consisting of multiple borrowers provides some diversification to the AUM.

Liquidity position: Adequate

As on March 31, 2021, JMFL had cash and cash equivalents of Rs. 5,351 crore and unutilised bank lines of Rs. 659 crore. The Group's liquidity profile is adequate for its near-term maturities. The Group used the liquidity buffer to buy back its bonds from the secondary market. As per the asset-liability statements for the key lending entities in the Group as on March 31, 2021, the cumulative cashflow position remains comfortable for the near term.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the Group posts a substantial and sustained improvement in its business performance, characterised by well-diversified growth in the lending portfolio with an increase in granularity, healthy growth in fee-based income and improvement in profitability while maintaining the current capital structure and asset quality.

Negative factors – The ratings or the outlook could be revised if the asset quality deteriorates significantly with the reported GNPAs increasing above 5% on a sustained basis or if there is an increase in the vulnerability of the wholesale loan book/asset reconstruction business. Pressure on the ratings could also emerge if the challenges in funding access for NBFCs continue for a prolonged period with the Group not being able to maintain its current scale of lending operations. A significant deterioration in the profitability, a reduction in the fee-based income and weakening of the capitalisation profile would also be credit negatives.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies Consolidation and Rating Approach ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not applicable; while assigning the ratings, ICRA has taken a consolidated view of the Group (JMFL - Consolidated), given the high operational and managerial linkages between the Group companies and the shared brand name.
Consolidation/Standalone	To arrive at the ratings, ICRA has considered the consolidated financial profile of JMFL. As on March 31, 2021, JMFL had nine subsidiaries, six stepdown subsidiaries, one partnership firm (with two of JMFL's subsidiaries as partners) and one associate company. Details of these companies are provided in Annexure-2.

About the company

JM Financial Credit Solutions Limited (JMFCSL) is a non-deposit accepting systemically important non-banking financial company (NBFC ND-SI) registered with the Reserve Bank of India (RBI). It is jointly promoted by the JM Financial Group and INH Mauritius 1 Fund (INH Global), a global fund led by Mr. Vikram Pandit, ex-Chief Executive Officer (CEO) of Citigroup. JMFL (rated [ICRA]AA/Stable/[ICRA]A1+), the holding company of the Group, holds a 46.68% equity stake in the company (as on March 31, 2021) while the balance is held by investors including INH Global and Moraine Master Fund. The company is engaged in secured wholesale lending, largely catering to the residential real estate sector through product offerings such as construction finance, loan against property, loan against land, loans for early-stage projects and loan against securities. It has a diversified presence in all major business geographies for real estate in India, i.e. Mumbai, Thane, Pune, Bengaluru, Chennai, Hyderabad, the national capital region (NCR) and Kolkata.

JMFCSL had a loan book (principal outstanding) of Rs. 7,219 crore as on March 31, 2021 (Rs. 7,342 crore as on March 31, 2020), comprising construction finance (44.7%), loan against property (23.1%), loan against land (11.2%), loans to early-stage projects (6.4%) and loan against securities (14.6%). The loan book declined post the liquidity crisis in September 2018, impacted further by the uncertainties in the macro-economic and credit environment and the recent Covid-19 pandemic. Loans towards residential projects and cashflow-backed advances represented ~85% of the loan book as on March 31, 2021. Over the past few quarters, the company has been focussing on reducing its leverage and shoring up the on-balance sheet liquidity to meet uncertainties. It held liquidity of Rs. 2,205 crore and undrawn term loan and cash credit limits of Rs. 650 crore as on March 31, 2021, which constituted ~52% of the total borrowings. The liquidity is held in the form of liquid mutual funds, fixed deposits and bank balances and is adequate to meet the near-term debt repayments.

JMFCSL has been reporting steady profitability over the years. In FY2021, it reported a net profit of Rs. 359 crore (RoA of 4.0%) on a total income of Rs. 1,167 crore compared to a net profit of Rs. 382 crore (RoA of 4.5%) on a total income of Rs. 1,310 crore in FY2020. The net profit for FY2021 was impacted by the additional expected credit loss (ECL) allowance of ~Rs. 142

crore (PY: Rs. 87 crore) towards the estimated impact of Covid-19 on the business. JMFCSL reported a net worth of Rs. 3,650 crore as on March 31, 2021, with a capital adequacy ratio of 40.2% and a gearing of 1.5 times. The company had raised Rs. 835-crore fresh equity in September 2018 to boost the business growth. The healthy capitalisation profile helps absorb credit losses, if any, especially in view of the current operating environment. The asset quality remains comfortable at present as reflected by the GNPA of 4.0% of the loan book as on March 31, 2021. As on March 31, 2021, JMFCSL carried a provision for ECL on financial assets of Rs. 389.36 crore (Rs. 204.91 crore as on March 31, 2020), which includes an estimated potential impact of Rs. 228.36 crore due to the pandemic.

JMFCSL's resource profile largely comprises long-term sources of borrowing (~82% of the total borrowings as on March 31, 2021). In FY2021, it raised Rs. 1,265-crore long-term borrowings ranging from 1 year to 10 years from various lenders/investors across categories. JMFCSL's long-term borrowings include term loans and NCDs issued through public issuances and private placements. The company has a diverse NCD investor base comprising banks, retail investors, high-net-worth individuals (HNIs), corporates, insurance companies, pension funds and trusts.

Key financial indicators of JMFCSL

JMFCSL	FY2019	FY2020	FY2021
Total income (Rs. crore)	1,279	1,310	1,167
Profit after tax (Rs. crore)	406	382	359
Net worth (including non-controlling interest; Rs. crore)	2,909	3,291	3,650
Loan book (at amortised cost and gross of provisions; Rs. crore)	8,091	7,381	7,220
Total assets (Rs. crore)	8,638	8,405	9,610
Return on assets (%)	5.1%	4.5%	4.0%
Return on net worth (%)	17.8%	12.3%	10.3%
Gross gearing (times)	1.9	1.5	1.5
Gross NPA (%)	1.1%	2.1%	4.0%
Net NPA (%)	0.8%	1.4%	2.3%
CRAR (%)	34.3%	40.2%	40.2%

***Source**: Company, ICRA Research; * Gross of impairment loss allowance; All ratios as per ICRA calculations*

JM Financial Group

JM Financial is an integrated and diversified financial services group. Its primary businesses include (a) IWS, including fee and fund-based activities for its clients, (b) mortgage lending, which includes both wholesale mortgage lending and retail mortgage lending (home loans, educational institution lending and loan against property), (c) distressed credit, which includes the asset reconstruction business, and (d) asset management, which includes the mutual fund business.

JMFL is the holding company for the operating companies in the Group and is also engaged in investment banking and the management of private equity funds. As on March 31, 2021, the consolidated loan book stood at Rs. 10,854 crore (Rs. 11,531 crore as on March 31, 2020), distressed credit business assets under management (AUM) at Rs. 11,060 crore (Rs. 11,489 crore as on March 31, 2020), wealth management assets under advice (AUA) at Rs. 59,052 crore (Rs. 44,883 crore as on March 31, 2020) and mutual fund quarterly average AUM (QAAUM) at Rs. 2,389 crore (Rs. 6,109 crore as on March 31, 2020). The Group is headquartered in Mumbai and has a presence in 550 locations spread across 170 cities in India. JMFL's equity shares are listed in India on the BSE and the NSE.

In FY2021, JMFL reported a consolidated net profit (net of non-controlling interest) of Rs. 590 crore on a total income of Rs. 3,227 crore compared with a consolidated net profit of Rs. 545 crore on a total income of Rs. 3,454 crore in FY2020.

Key financial indicators of JM Financial Group

JMFL (Consolidated)	FY2019	FY2020	FY2021
Total income (Rs. crore)	3,499	3,454	3,227
Profit after tax[4] (Rs. crore)	572	545	590
Net worth (including non-controlling interest; Rs. crore)[5]	7,229	7,993	9,552
Loan book (Rs. crore)	14,107	11,531	10,854
Total assets[5] (Rs. crore)	22,588	20,693	23,322
Return on assets (%)	3.7%	3.6%	3.7%
Return on net worth (%)	12.8%	10.2%	9.2%
Gross gearing (times)	1.94	1.47	1.29
Gross NPA (%)	0.68%	1.65%	3.50%
Net NPA (%)	0.55%	1.13%	1.95%
CRAR (%)	31.90%	38.70%	40.2%

Source*: Company, ICRA Research;* ***Note****: All ratios as per ICRA calculations*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the Past 3 Years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding as on Jun 30, 2021 (Rs. crore)	Date & Rating	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
					Jul 9, 2021	Feb 26, 2021 Aug 19, 2020 Apr 13, 2020	Jan 20, 2020 Jul 31, 2019 Jun 18, 2019 Apr 01, 2019	May 14, 2018 Apr 30, 2018
1	NCD Programme	Long Term	4,060.40	2,953.61	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
2	NCD Programme	Long Term	439.60	0.00	[ICRA]AA (Stable); withdrawn	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
3	NCD Programme	Long Term	1,439.60	0.00	[ICRA]AA (Stable)	-	-	-
4	Long-term Bank Lines (Cash Credit)	Long Term	185.00	NA	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
5	Long-term Bank Lines (Term Loan)	Long Term	2,105.00	2,105.00	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
6	Long-term Bank Lines (Unallocated)	Long Term	510.00	NA	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
7	MLD (PP) Programme	Long Term	300.00	0.00	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA]AA (Stable)
8	CP Programme	Short Term	1,000.00	375.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

[4] *Including share in profit of associates and net of non-controlling interest*
[5] *Net of goodwill on consolidation*

Complexity level of the rated instruments

Instrument	Complexity Indicator
NCD Programme	Simple
MLD (PP) Programme	Complex
Bank Lines (Cash Credit)	Simple
Bank Lines (Term Loan)	Simple
Bank Lines (Unallocated)	Not Applicable
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-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE651J07101	NCD	Feb 09, 2016	9.70%	Aug 09, 2021	20.00	[ICRA]AA (Stable)
INE651J07119	NCD	Feb 26, 2016	9.70%	Aug 26, 2021	10.00	[ICRA]AA (Stable)
INE651J07416	NCD	Mar 23, 2017	9.00%	Mar 23, 2022	10.00	[ICRA]AA (Stable)
INE651J07515	NCD	Mar 12, 2018	0.00%	Sep 10, 2021	50.00	[ICRA]AA (Stable)
INE651J07523	NCD	Mar 12, 2018	0.00%	Dec 10, 2021	20.00	[ICRA]AA (Stable)
INE651J07580	NCD	Jun 07, 2018	9.25%	Aug 07, 2021	116.52	[ICRA]AA (Stable)
INE651J07598	NCD	Jun 07, 2018	0.00%	Aug 07, 2021	24.39	[ICRA]AA (Stable)
INE651J07606	NCD	Jun 07, 2018	9.50%	Jun 07, 2023	365.31	[ICRA]AA (Stable)
INE651J07614	NCD	Jun 07, 2018	9.11%	Jun 07, 2023	17.03	[ICRA]AA (Stable)
INE651J07622	NCD	Jun 07, 2018	9.75%	Jun 07, 2028	214.81	[ICRA]AA (Stable)
INE651J07630	NCD	Jun 07, 2018	9.34%	Jun 07, 2028	11.94	[ICRA]AA (Stable)
INE651J07648	NCD	Dec 13, 2018	10.00%	Jun 13, 2022	98.72	[ICRA]AA (Stable)
INE651J07655	NCD	Dec 13, 2018	0.00%	Jun 13, 2022	31.73	[ICRA]AA (Stable)
INE651J07663	NCD	Dec 13, 2018	10.10%	Dec 13, 2023	49.09	[ICRA]AA (Stable)
INE651J07671	NCD	Dec 13, 2018	9.67%	Dec 13, 2023	42.87	[ICRA]AA (Stable)
INE651J07689	NCD	Dec 13, 2018	10.25%	Dec 13, 2028	25.04	[ICRA]AA (Stable)
INE651J07697	NCD	Dec 13, 2018	9.81%	Dec 13, 2028	16.15	[ICRA]AA (Stable)
INE651J07721	NCD	Jul 18, 2019	9.75%	Jul 18, 2029	400.00	[ICRA]AA (Stable)
INE651J07739	NCD	Jul 24, 2019	(SBI MCLR + 1.60%) to (SBI MCLR + 4.60%)	Jul 23, 2024	600.00	[ICRA]AA (Stable)
INE651J07747	NCD	Aug 23, 2019	0.00%	Aug 23, 2021	30	[ICRA]AA (Stable)
INE651J07754	NCD	Aug 23, 2019	10.50%	Aug 23, 2021	20	[ICRA]AA (Stable)
INE651J07762	NCD	May 18, 2020	9.40%	May 18, 2023	125	[ICRA]AA (Stable)
INE651J07762	NCD	May 29, 2020	9.40%	May 18, 2023	75	[ICRA]AA (Stable)
INE651J07770	NCD	Jun 16, 2020	9.10%	Jun 16, 2023	100	[ICRA]AA (Stable)
INE651J07788	NCD	Jun 19, 2020	8.75%	Feb 18, 2022	100	[ICRA]AA (Stable)
INE651J07796	NCD	Sep 17, 2020	9.00%	Sep 16, 2022	50	[ICRA]AA (Stable)
INE651J07804	NCD	Nov 02, 2020 Nov 12, 2020 Dec 11, 2020 Dec 22, 2020 Jan 12, 2021	9.20%	Nov 01, 2030	55 50 45 50 50	[ICRA]AA (Stable)
INE651J07812	NCD	Feb 05, 2021	8.25%	Feb 05, 2024	50	[ICRA]AA (Stable)
INE651J07820	NCD	Mar 25, 2021	8.60%	Mar 25, 2033	30	[ICRA]AA (Stable)
NA	NCD Programme*	-	-	-	2,546.39	[ICRA]AA (Stable)
INE651J07192	NCD	May 06, 2016	9.50%	May 06, 2021	5.00	[ICRA]AA (Stable); reaffirmed and withdrawn
INE651J07200	NCD	May 24, 2016	9.50%	May 24, 2021	10.00	[ICRA]AA (Stable); reaffirmed and withdrawn
INE651J07218	NCD	May 31, 2016	9.50%	May 31, 2021	10.00	[ICRA]AA (Stable); reaffirmed and withdrawn
INE651J07499	NCD	Sep 12, 2017	0.00%	Sep 15, 2020	25.00	[ICRA]AA (Stable); reaffirmed and withdrawn
INE651J07507	NCD	Dec 28, 2017	9.15%	Dec 28, 2020	67.90	[ICRA]AA (Stable); reaffirmed and withdrawn
INE651J07531	NCD	Mar 12, 2018	0.00%	May 04, 2021	58.90	[ICRA]AA (Stable); reaffirmed and withdrawn

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE651J07556	NCD	Mar 22, 2018	0.00%	Jun 15, 2021	120.00	[ICRA]AA (Stable); reaffirmed and withdrawn
INE651J07572	NCD	Mar 23, 2018	9.36%	Mar 23, 2021	42.80	[ICRA]AA (Stable); reaffirmed and withdrawn
INE651J07705	NCD	Jun 10, 2019	10.29%	Dec 10, 2020	50.00	[ICRA]AA (Stable); reaffirmed and withdrawn
INE651J07713	NCD	Jun 10, 2019	0.00%	Jun 10, 2021	50.00	[ICRA]AA (Stable); reaffirmed and withdrawn
NA	MLD (PP) Programme*	-	-	-	300.00	PP-MLD[ICRA]AA (Stable)
NA	Term Loans	2018-21	-	2021-24	2,105.00	[ICRA]AA (Stable)
NA	Cash Credit	2018-21	-	-	185.00	[ICRA]AA (Stable)
NA	Unallocated Bank Lines	-	-	-	510.00	[ICRA]AA (Stable)
INE651J14AU4	CP	Jul 30, 2020	8.50%	Jul 30, 2021	100.00	[ICRA]A1+
INE651J14AV2	CP	Jun 14, 2021	7.00%	Jun 14, 2022	275.00	[ICRA]A1+
NA	CP Programme*	-	-	7-365 days	625.00	[ICRA]A1+

** Proposed*

***Source**: JMFCSL*

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership as on March 31, 2021	Consolidation Approach
JM Financial Limited	Holding Company	ICRA has taken a consolidated view of the parent and its subsidiaries and an associate
JM Financial Asset Management Limited	59.54%	
JM Financial Products Limited	99.45%	
JM Financial Capital Limited	100%	
JM Financial Services Limited	100%	
JM Financial Credit Solutions Limited	46.68%	
JM Financial Asset Reconstruction Company Limited	59.25%	
JM Financial Home Loans Limited	93.80%	
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%	
CR Retail Malls (India) Limited	100%	
Infinite India Investment Management Limited	100%	
J.M. Financial & Investment Consultancy Services Private Limited	Related Party *	

***Source**: JMFL*

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

** Owned by the promoters of JMFL*

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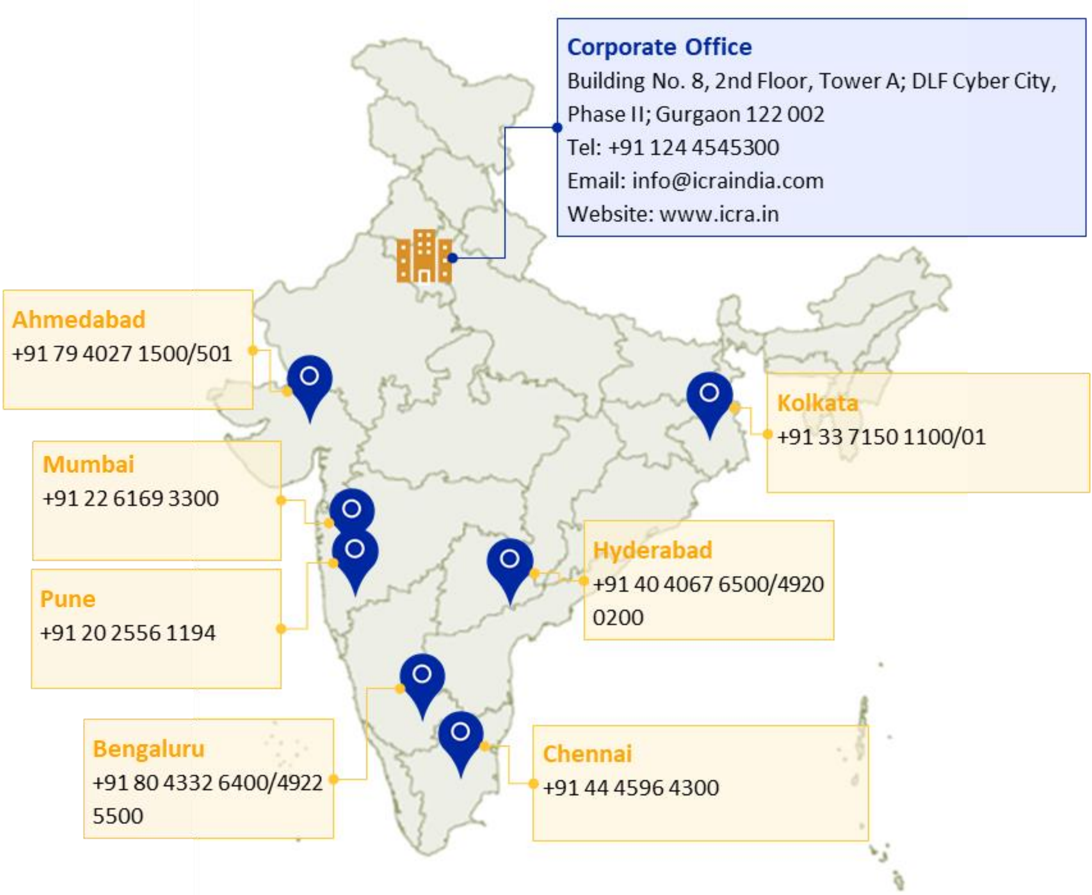
Branches



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