April 21, 2022

JM Financial Credit Solutions Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture (NCD) Programme	5,209.09	5,209.09	[ICRA]AA (Stable); outstanding
NCD Programme	290.91	290.91	[ICRA]AA (Stable); outstanding
Long-term Credit Lines (Cash Credit)^	160.00	0.00	-
Long-term Credit Lines (Term Loan)^	1,605.00	0.00	-
Long-term Credit Lines (Unallocated)^	1,035.00	0.00	-
Long-term Fund-based Credit Lines^	0.00	2,800.00	[ICRA]AA (Stable); reaffirmed
Long-term Market Linked Debentures (Principal Protected) {MLD (PP)} Programme	300.00	300.00	PP-MLD[ICRA]AA (Stable); outstanding
Commercial Paper (CP) Programme	1,000.00	1,000.00	[ICRA]A1+; outstanding
Total	**9,600.00**	**9,600.00**	

**Instrument details are provided in Annexure-1; ^ Change in limits*

Rationale

The ratings factor in the established track record and position 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 adequate capitalisation level. The ratings also factor in the healthy fee income arising from the agency-based business, which has supported the earnings profile. While arriving at 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, common promoters and senior management team, shared brand name, and strong financial and operational synergies. ICRA expects 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, portfolio concentration given the focus on wholesale lending, and the inherent risk profile of the key segments (real estate and bespoke funding[1] accounted for ~82% of the total book as on December 31, 2021). JMFL witnessed a moderation in its asset quality in the recent past with its gross non-performing assets (GNPAs) increasing to 3.5% of advances (net non-performing assets; NNPAs – 2.0%) as of March 31, 2021 from 1.7% as of March 31, 2020 (NNPA of 1.1%). While the GNPAs improved to 2.3% (NNPAs of 1.4%) as on September 30, 2021, the same inched up to 4.4% (2.8%) as on December 31, 2021. ICRA notes that the total stressed assets (GNPAs + special mention accounts (SMA) 2) have remained largely steady. Additionally, the Group has provided relief through the extension of the date of commencement of commercial operations (DCCO) to ~24% of the total loan book as on December 31, 2021. The presence of adequate collateral and the Group's underwriting and monitoring processes and systems provide comfort. Also, the Group's healthy capitalisation profile provides it with the ability to absorb losses if required.

[1]*Bespoke funding represents the corporate and promotor funding portfolio of the Group*

The ratings also factor in the risks associated with the distressed assets business, the focus on large-ticket exposures and the high portfolio concentration. The protracted resolution process and associated uncertainties can lead to variability in earnings and cashflows. Going forward, the Group's ability to ensure steady collections (including recoveries in distressed assets business) and maintain a healthy asset quality will remain critical.

While reaffirming the rating, ICRA takes note of the challenges in resource mobilisation stemming from the operating environment and the risk-averse sentiment of investors towards non-banks, particularly wholesale-oriented entities. ICRA also factors in the uptick in fund-raising in the recent past, with an attempt to diversify the resource profile in terms of investors and instrument. Though the quantum remains below the pre-September 2018 level, it is in accordance with the Group's revised growth plans. Going forward, the Group's ability to continue to raise funds at regular intervals from a diversified investor base at competitive rates remains monitorable. 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 also be monitorable.

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, securities equity broking, wealth management, investment advisory services, portfolio management, asset management, wholesale and retail lending, private equity and asset reconstruction. It is one of the leading entities in the 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. The Group forayed into the lending business in 2008 to diversify its portfolio. JMFL commenced the lending business with wholesale financing (real estate and bespoke lending), leveraging its experience in investment banking, and subsequently added retail lending (mortgage-backed retail lending and lending to small and medium enterprises) to its portfolio in FY2017.

Diversification in business profile – On a consolidated basis, the Group's revenue stream remains well diversified with the investment bank, mortgage lending, alternative and distressed credit, and asset and wealth management and securities businesses (Platform AWS) contributing 34%, 31%, 15% and 17%, respectively, to revenues in 9M FY2022 (34%, 38%, 12% and 16%, respectively, in FY2021). Steady fee and advisory income from businesses like securities broking, investment banking, institutional fixed income, private equity funds, investment advisory, wealth management and asset management supports the earnings profile. JMFL had a loan book of Rs. 11,240 crore on a consolidated basis as on December 31, 2021, comprising wholesale mortgage (60%), bespoke lending (22%), capital markets lending (8%), retail mortgage (6%) and financial institution financing (4%). The Group forayed into retail lending in FY2017 through products like home loan, loan against property (LAP) and educational institutions. While the scale of retail operations remains limited at present, the Group is actively looking to ramp up this business and is strengthening its resources/infrastructure for the same. As on December 31, 2021, the Group was operating its retail lending business through 50 branches primarily in Tier II and III cities.

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. 10,269 crore and a CRAR of 44.5% as on December 31, 2021 (Rs. 9,552 crore and 40.2%, respectively, as of March 31, 2021). Total borrowings at the consolidated level declined to Rs. 10,789 crore as on December 31, 2021 from Rs. 12,366 crore as on March 31, 2021 (peak debt of Rs. 17,794 crore as on September 30, 2018).

The capitalisation profile has been supported by regular capital infusions (last round of capital infusion of Rs. 770 crore through qualified institutional placement in Q1 FY2021) and healthy accruals. The consolidated gearing remained comfortable at 1.05 times as on December 31, 2021 (1.29 times as on March 31, 2021 and 1.47 times as on March 31, 2020). The net gearing was 0.68 times as on December 31, 2021 (0.73 times as on March 31, 2021). The Group's capitalisation profile remains healthy, with lower leverage compared to peers, and provides adequate cushion against losses if required. Over the medium term, the

Group 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 across businesses. While the cautious growth approach in the lending segment and higher provision expenses (including provisions for the estimated impact of the Covid-19 pandemic on the business) continue to constrain the profitability of the lending business, robust fee income and higher gains from fair value changes[2] supported the Group's profitability in 9M FY2022. The Group's total income (based on gross broking income) increased by 23% to Rs. 2,926 crore in 9M FY2022 from Rs. 2,386 crore in 9M FY2021. The profitability remains healthy with a consolidated net profit (net of non-controlling interest) of Rs. 594 crore in 9M FY2022 (return on assets (RoA)[3] of 4.6%) compared to Rs. 413 crore in 9M FY2021 (RoA[3] of 3.5%) and Rs. 590 crore in FY2021 (RoA[3] of 3.7%). The return on equity[4] (RoE) remained moderate at 10.4% in 9M FY2022 (9.2 % in FY2021), given the lower leverage in the business.

Credit challenges

Moderation in asset quality in recent past; high concentration and inherent credit risk in wholesale segment – The Group's loan portfolio largely comprises wholesale lending (~82% of the total book as on December 31, 2021), which includes real estate and bespoke finance (comprises corporate and promoter funding). The large ticket size exposures and high concentration in the loan book, coupled with the inherent risk profile of these asset classes, could result in a sharp deterioration in the asset quality in case of slippages. The domestic real estate sector had been facing a prolonged slowdown, with subdued sales and consequent inventory overhang leading to debt build-up. Business disruptions on account of the pandemic further exacerbated the issues. While there has been some recovery in recent quarters, particularly for larger developers, a sustained pickup in sales across geographies/segments would remain critical for a meaningful recovery in the sector.

JMFL reported GNPAs of 3.5% of advances (NNPAs of 2.0%) as of March 31, 2021, up from 1.7% (NNPA of 1.1%) as of March 31, 2020. While the GNPAs improved to 2.3% (NNPAs of 1.4%) as on September 30, 2021, the same inched up to 4.4% (NNPAs of 2.8%) as on December 31, 2021. ICRA notes that the total stressed assets (GNPA + SMA 2) have remained largely steady at 6.9% as on December 31, 2021 vis-à-vis 6.8% as on September 30, 2021 (6.4% as on March 31, 2021). Additionally, the Group has provided relief through the extension of the DCCO to ~24% of the total loan book as on December 31, 2021. While the asset quality remains a key monitorable, the presence of adequate collateral and the Group's underwriting and monitoring processes and systems provide comfort. Total provision to total loan book was ~7% as on December 31, 2021.

Risks associated with distressed assets business, given the nature of underlying assets, uncertainty associated with resolution process and large-ticket exposures – JM Financial Asset Reconstruction Company Limited (JMFARCL) is one of the prominent players in the asset reconstruction business, with assets under management (AUM) of Rs. 10,710 crore as on December 31, 2021. It focuses on the large single borrower corporate segment. The portfolio concentration remains high with the top 5 assets accounting for ~69% of the Group's share of security receipts (SR) as of September 2021.

ICRA notes that the resolution of the wholesale/large corporate segment tends to be 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 and the company's strategy of focusing on resolution through the revival of operations can result in a protracted process and variability in earnings and cashflows. The impact of the pandemic and consequent disruptions have further affected the resolution process in the past two fiscals. JMFARCL, however, witnessed an improvement in recoveries in FY2022 at Rs. 1,590 crore in 9M FY2022 compared to Rs. 1,192 crore in FY2021. Cumulative recoveries increased to Rs. 11,329 crore as of December 31, 2021 from Rs. 9,739 crore as on March 31, 2021. JMFARCL's ability to maintain a healthy recovery performance on a sustained basis would remain critical.

[2] *Includes gains from treasury operations and distressed asset business*

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

[4] *Including minority interest*

Fund-raising challenges for non-bank financiers impacting business; ability to maintain asset and liability profile remains critical – The operating environment for non-banking financial companies (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 wholesale/real estate-oriented financers to mobilise long-term resources from diversified sources. This, coupled with the subdued macro-economic and operating environment, has impacted the growth in the lending business.

ICRA notes the uptick in fund-raising by JMFL in the recent past, with an attempt to diversify the resource profile in terms of investors {insurance companies, trusts, corporate treasuries, mutual funds, banks, NBFCs, retail investors, high-net-worth individuals (HNIs)} and instruments (market linked debentures, public issuance of debt), though the quantum remains below the pre-September 2018 level. Given the uncertain operating environment, the Group raised Rs. 770 crore capital through a qualified institutional placement in Q1 FY2021. Further, JMFL raised debt of Rs. 7,245 crore in FY2021 and Rs. 4,548 crore in 9M FY2022. Though the Group registered an improvement in the average cost of borrowings in FY2021, it remains high. The cost of funds in FY2021 was 9.2%[5] compared to 10.8%[5] in FY2020 and it inched up to ~9.6%[6] in 9M FY2022. Going forward, the Group's ability to continue to raise funds at regular intervals from a diversified investor base at competitive rates remains monitorable.

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 ~21% as on December 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 monitorable.

Liquidity position: Adequate

As on December 31, 2021, JMFL had cash and cash equivalents of Rs. 3,854 crore and unutilised bank lines of Rs. 168 crore. The Group's current liquidity profile is adequate for its near-term maturities (debt repayment obligation, including interest, of Rs. 1,791 crore during January 2022 to March 2022). The available liquidity remains in line with the liquidity maintained by the Group over the last four quarters. Further, the latest asset-liability mismatch (ALM) statements[7] of the key lending entities of the Group did not show negative cumulative mismatches in the up to 1 year buckets.

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 the granularity of the asset base, healthy growth in fee-based income, and healthy profitability.

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 consolidated basis) 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 in case of continued challenges in fund-raising (from diverse sources and at competitive rates) for a prolonged period, thereby impacting the Group's ability

[5] *As per ICRA's calculations*

[6] *This ratio is based on the average year-ending numbers for borrowings. As the JMFL Group provides IPO financing, which is a short-term and episodic product, the daily averages for the borrowings are higher than ICRA's calculations. Further, ICRA has used the total* financing *cost, including the cost for IPO finance, in the numerator to arrive at the ratio. This has optically impacted the ratio.*

[7] *ALM statements as on December 31, 2021 of JMFCSL, JM Financial Products Limited and JM Financial Capital Limited and ALM Statement as on September 30, 2021 of JM Financial Home Loans Limited*

to maintain its current scale of lending operations. A significant deterioration in the profitability, a reduction in 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
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 an 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, the holding company of the Group, holds a 46.68% equity stake in the company (as on September 30, 2021) while the balance is held by investors including INH Global managed by Mr. Vikram Pandit and his associate and Moraine Master Fund. The company provides secured wholesale lending, largely to the residential real estate sector through product offerings such as construction finance, LAP, loan against land, loans for early-stage projects and loan against securities. It is present in key real estate markets like Mumbai, Thane, Pune, Bengaluru, Chennai, Hyderabad, the National Capital Region (NCR) and Kolkata, though Mumbai accounts for a sizeable share of the portfolio. JMFCSL plans to diversify its portfolio by foraying into corporate lending; the company would, however, remain a wholesale-oriented lender.

JMFCSL had a gross loan book of Rs. 6,741 crore as on December 31, 2021 (Rs. 7,219 crore as on March 31, 2021 and Rs. 7,342 crore as on March 31, 2020), which forms nearly 59% of the Group's mortgage finance loan book. Its portfolio comprises construction finance (49%), LAP (18%), loan against land (13%), loans to early-stage projects (9%) and loan against securities (11%). JMFCSL's loan book declined post the liquidity crisis in September 2018 and was impacted further by the uncertainties in the macro-economic and credit environment and due to the ongoing pandemic. Over the past few quarters, the company has been focusing on recoveries and has adopted a cautious growth approach, resulting in contraction in the loan book. Loans towards residential projects represented 76.6% of the loan book and cashflow-backed advances represented 76.4% of the loan book as on September 30, 2021.

JMFCSL had reported healthy asset quality till FY2019 though it witnessed a moderation in the same in the ensuing period with the gradual seasoning of the portfolio coupled with the slowdown in the underlying sector. The company's GNPAs increased to 4.0% as on March 31, 2021 (NNPAs of 2.3%) from 2.1% as on March 31, 2020 (NNPAs of 1.4%). While the reported GNPAs inched up to 5.4% as on December 31, 2021 (NNPAs of 3.7%), the SMA 2 improved to 3.3% (3.5% as on March 31, 2021 and 2.1% as on March 31, 2020). JMFCSL carried a total provision of Rs. 501.0 crore (including Covid-related provision of Rs. 314.8 crore) as on December 31, 2021.

The loan book has witnessed a contracting trend since March 2018. The impact of the liquidity crisis in September 2018 on NBFCs led to challenges in fund-raising. This, along with the cautious growth approach adopted amid the pandemic, focus on recoveries and focus on shoring up liquidity, resulted in incremental disbursements being subdued. The scaling down of the book over the past two years resulted in a decline in interest income. This, coupled with the increase in credit costs in light of the pandemic, resulted in a moderation in earnings. JMFCSL's net profit declined to Rs. 359 crore in FY2021 (RoA of 4.0%) from Rs. 382 crore in FY2020 (RoA of 4.5%). In 9M FY2022, JMFCSL reported a profit after tax of Rs. 202 crore on total income of Rs. 845 crore. It reported a net worth of Rs. 3,851 crore and a CRAR of 46.4%, as on December 31, 2021, providing adequate cushion to absorb losses if required.

JMFCSL's resource profile mainly comprises long-term sources of borrowing (~93% of total borrowings as on December 31, 2021). The long-term borrowings have tenures ranging from 1 year to 10 years and include term loans and NCDs issued through public issuances and private placements. The company has a diverse NCD investor base comprising banks, retail investors, HNIs, corporates, insurance companies, pension funds and trusts. JMFCSL plans to grow the loan book, going forward. Thus, the corresponding requirement for debt is expected to increase. As on December 31, 2021, JMFCSL reported a gearing of 1.2 times.

JMFCSL has been focusing on shoring up its on-balance sheet liquidity to meet uncertainties. It held liquidity of Rs. 1,657 crore (excluding undrawn limits of Rs. 110 crore) as on December 31, 2021, which constituted ~37% of the total borrowings. Liquidity is held in the form of liquid mutual funds and bank balances and is adequate to meet the near-term debt repayments.

Key financial indicators of JMFCSL (audited)

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**: JMFCSL, ICRA Research; All ratios as per ICRA's calculations*

JM Financial Group

JM Financial is an integrated and diversified financial services group, engaged in various capital markets related lending activities. The Group's primary businesses include (a) investment bank, which includes bespoke finance (comprising corporate and promoter funding), institutional broking and other investment banking services, (b) mortgage lending, which includes wholesale and retail mortgage-backed lending, (c) alternative and distressed credit, and (d) asset management, wealth management and securities business (Platform AWS)[8].

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 December 31, 2021, the consolidated loan book stood at Rs. 11,240 crore (Rs. 10,854 crore as on March 31, 2021), distressed credit business AUM at Rs. 10,710 crore (Rs. 11,060 crore as on March 31, 2021), private wealth management AUM at Rs. 64,683 crore (Rs. 59,052 crore as on March 31, 2021) and mutual fund quarterly average AUM (QAAUM) at Rs. 2,020 crore (Rs. 2,389 crore as on March 31, 2021). The Group is headquartered in Mumbai and has a presence in 624 locations spread across 186 cities in India. JMFL's equity shares are listed in India on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

In 9M FY2022, JMFL reported a consolidated net profit (net of non-controlling interest) of Rs. 594 crore (Rs. 590 crore in FY2021) on total income of Rs. 2,962 crore (Rs. 3,227 crore in FY2021).

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[8] *Till FY2021, the Group's operations comprised the following segments: (a) investment banking, wealth management and securities business, (b) mortgage lending, (c) distressed credit, and (d) asset management*

Key financial indicators of JM Financial Group (audited)

JMFL (Consolidated)	FY2019	FY2020	FY2021	9M FY2022*
Total income (Rs. crore)	3,499	3,454	3,227	2,926
Profit after tax[9] (Rs. crore)	572	545	590	594
Net worth (including non-controlling interest; Rs. crore)[10]	7,229	7,993	9,552	10,269
Loan book (Rs. crore)	14,107	11,531	10,854	11,240
Total assets[5] (Rs. crore)	22,588	20,693	23,322	22,774
Return on assets (%)	3.7%	3.6%	3.7%	4.4%
Return on net worth (%)	12.8%	10.2%	9.2%	10.4%
Gross gearing (times)	1.94	1.47	1.29	1.05
Gross NPA (%)	0.68%	1.65%	3.50%	4.4%
Net NPA (%)	0.55%	1.13%	1.95%	2.8%
CRAR (%)	31.90%	38.70%	40.2%	44.5%

Source: *JMFL, ICRA Research; *Limited review; All ratios as per ICRA's calculations*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the Past 3 Years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding as on Apr 1, 2022 (Rs. crore)	Date & Rating	Date & Rating in FY2022		Date & Rating in FY2021	Date & Rating in FY2020
					Apr 21, 2022	Jan 31, 2022	Jul 9, 2021	Feb 26, 2021 Aug 19, 2020 Apr 13, 2020	Jan 20, 2020 Jul 31, 2019 Jun 18, 2019 Apr 01, 2019
1	NCD Programme	Long Term	3,769.49	3,522.69	**[ICRA]AA (Stable)**	[ICRA]AA (Stable)	[ICRA]AA (Stable)		[ICRA]AA (Stable)
2	NCD Programme	Long Term	-	-	-	[ICRA]AA (Stable); withdrawn	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
3	NCD Programme	Long Term	-	-	-	-	[ICRA]AA (Stable); withdrawn	[ICRA]AA (Stable)	[ICRA]AA (Stable)
4	NCD Programme	Long Term	1,439.60	0.00	**[ICRA]AA (Stable)**	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	-
5	NCD Programme	Long Term	290.91	0.00	**[ICRA]AA (Stable)**	[ICRA]AA (Stable)	-	-	-
6	Long-term Bank Lines (Cash Credit)	Long Term	-	-	-	[ICRA]AA (Stable)	[ICRA]AA (Stable)	-	[ICRA]AA (Stable)
7	Long-term Bank Lines (Term Loan)	Long Term	-	-	-	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
8	Long-term Bank Lines (Unallocated)	Long Term	-	-	-	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)

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

9	Long-term Bank Lines (Unallocated)	Long Term	-	-	**-**	[ICRA]AA (Stable)	-	[ICRA]AA (Stable)	-
10	Long-term Fund-based Credit Lines	Long Term	2,800.00	2,315.00	**[ICRA]AA (Stable)**	-	-	-	-
11	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)
12	CP Programme	Short Term	1,000.00	430.00	**[ICRA]A1+**	[ICRA]A1+	[ICRA]A1+	PP-MLD[ICRA]AA (Stable)	[ICRA]A1+

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: www.icra.in

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE651J07416	NCD	Mar 23, 2017	9.00%	Mar 23, 2022	10.00	[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)
INE651J07762	NCD	May 18, 2020	9.40%	May 18, 2023	125.00	[ICRA]AA (Stable)
INE651J07762	NCD	May 29, 2020	9.40%	May 18, 2023	75.00	[ICRA]AA (Stable)
INE651J07770	NCD	Jun 16, 2020	9.10%	Jun 16, 2023	100.00	[ICRA]AA (Stable)
INE651J07788	NCD	Jun 19, 2020	8.75%	Feb 18, 2022	100.00	[ICRA]AA (Stable)
INE651J07796	NCD	Sep 17, 2020	9.00%	Sep 16, 2022	50.00	[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	55.00 50.00 45.00 50.00 50.00	[ICRA]AA (Stable)
INE651J07812	NCD	Feb 05, 2021	8.25%	Feb 05, 2024	50.00	[ICRA]AA (Stable)
INE651J07820	NCD	Mar 25, 2021	8.60%	Mar 25, 2033	30.00	[ICRA]AA (Stable)
INE651J07838	NCD	Jul 19, 2021 Nov 26, 2021 Dec 07, 2021 Mar 15, 2022	8.50%	Jul 18, 2031	260.00	[ICRA]AA (Stable)
INE651J07846	NCD	Jul 29, 2021	8.35%	Apr 26, 2024	300.00	[ICRA]AA (Stable)
INE651J07853	NCD	Jan 24, 2022	8.99%	Jan 23, 2032	300.00	[ICRA]AA (Stable)
NA	NCD Programme*	-	-	-	1,977.31	[ICRA]AA (Stable)
NA	MLD (PP) Programme*	-	-	-	300.00	PP-MLD[ICRA]AA (Stable)
NA	Long-term Fund-based Credit Lines	NA	-	NA	2,800.00	[ICRA]AA (Stable)
INE651J14AV2	CP	Jun 14, 2021	7.00%	Jun 14, 2022	275.00	[ICRA]A1+
INE651J14AW0	CP	Mar 16, 2022	5.84%	Sep 15, 2022	155.00	[ICRA]A1+
NA	CP Programme*	-	-	7-365 days	570.00	[ICRA]A1+

** Proposed;* ***Source****: JMFCSL; NA – Not available*

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%	

Company Name	Ownership as on March 31, 2021	Consolidation Approach
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*

**One of the promoter entities of JMFL, with a 22.76% stake in JMFL as on September 30, 2021*

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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.

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

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