

May 10, 2024

JM Financial Credit Solutions Limited: Rating withdrawn for matured instrument

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures (NCD) programme	5,558.04	5,558.04	[ICRA]AA (Stable); outstanding
NCD programme	441.96	0.00	[ICRA]AA (Stable); withdrawn
Market linked debenture principal protected (PP-MLD) programme	300.00	300.00	PP-MLD[ICRA]AA (Stable); outstanding
Long-term fund-based bank lines – Others^	3,500.00	3,500.00	[ICRA]AA (Stable); outstanding
Commercial paper programme	1,000.00	1,000.00	[ICRA]A1+; outstanding
Total	10,800.00	10,358.04	

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

Rationale

ICRA has withdrawn the [ICRA]AA rating assigned to JM Financial Credit Solutions Limited's (JMFCSL) Rs. 441.96-crore non-convertible debenture (NCD) programme as no amount is outstanding against the same. This is in accordance with ICRA's policy on the withdrawal of credit ratings. The previous detailed rating rationale, which captures the key rating drivers and their description, liquidity position, rating sensitivities and key financial indicators is available at the following link: [Click here](#).

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies Rating Methodology for Stockbroking and Allied Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	Not applicable; while arriving at the ratings, ICRA has considered the consolidated financials of JM Financial Limited (JMFL). It has taken a consolidated view of the credit profiles of JMFL and its subsidiaries, which are engaged in merchant banking, mortgage lending (retail and wholesale), bespoke finance, institutional and retail broking, asset management and wealth management, due to the close linkages between the entities, common promoters and senior management team, shared brand name, and strong financial and operational synergies. ICRA has also factored in the support it extends to its subsidiaries and associates engaged in distressed asset management and other businesses.
Consolidation/Standalone	ICRA has considered the consolidated financials of JMFL. As on March 31, 2023, JMFL had nine subsidiaries, six step-down subsidiaries, one partnership firm (with two of JMFL's subsidiaries as partners), one Association of Persons (AOP; with two of JMFL's subsidiaries as members) and an associate company. Details of these companies are provided in Annexure II.

About the company

JM Financial Credit Solutions Limited (JMFCSL) is a middle layer non-banking financial company (NBFC), registered with the Reserve Bank of India (RBI). It is jointly promoted by the JM Financial Group and INH Mauritius¹ Fund (INH Global), a global fund led by Mr. Vikram Pandit, a former Chief Executive Officer (CEO) of Citigroup. JMFL, the holding company of the Group, holds a 46.7% equity stake in the company (as on June 30, 2023) while the balance is held by investors including INH Global, managed by Mr. Pandit and his associate, and Moraine Master Fund.

The company provides secured wholesale lending to the real estate sector and extends loans to corporates and promoters (bespoke lending). It had a gross loan book of Rs. 8,752 crore as on December 31, 2023, comprising real estate lending (77%), corporate loans (15%), and lending to financial institutions (8%). In the real estate segment, the company focusses on financing residential real estate projects with product offerings that include construction finance, loan against property, loan against land, loan against shares and loans for early-stage projects. JMFCSL is present in key real estate markets like Mumbai, Pune, Thane, Bengaluru, Chennai, Hyderabad, the National Capital Region (NCR) and Kolkata.

The company reported a net profit of Rs. 114 crore on total income of Rs. 963 crore in 9M FY2024. It had reported a net profit of Rs. 335 crore on total income of Rs. 1,172 crore in FY2023 compared to Rs. 289 crore and Rs. 1,136 crore, respectively, in FY2022. As on December 31, 2023, JMFCSL's capitalisation profile was characterised by a net worth of Rs. 4,357 crore and a gearing of 1.4 times.

JMFCSL's asset quality was healthy till FY2019. It witnessed a deterioration in the same in the ensuing period with the gradual seasoning of the portfolio amid the slowdown in the real estate sector. Further, most of the date of commencement of commercial operations (DCCO) extension granted during the Covid-19 pandemic ended in December 2022, leading to a surge in the stressed assets. The gross non-performing assets (GNPAs) stood at 6.2% as of June 30, 2023 (net NPAs: 3.6% as of June 30, 2023) compared to 5.1% as of March 31, 2023 and loans in the special mention account (SMA) 2 category inched up to 6.4% as of June 30, 2023 from 0.0% as of March 2023 and 4.2% as of March 2022. As on December 31, 2024, the GNPA was 7.2% and SMA-2 was 2.3%.

JMFCSL's resource profile mainly comprises long-term sources of borrowings. These borrowings have tenures ranging from 1-10 years, including 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.

JM Financial Group

JM Financial Limited (JMFL) is the holding company of the operating entities in the JM Financial Group, which is an integrated and diversified financial services group. While JMFL is engaged in investment banking, portfolio management, wealth management and the management of private equity fund(s) at the standalone level, the consolidated operations encompass (a) investment bank, which includes investment banking, institutional equities and research, private equity business, fixed income, syndication and corporate/promoter finance, capital market related lending, wealth management services for high-net-worth individual (HNI)/ultra HNI clients, and portfolio management services, (b) mortgage lending, which includes wholesale as well as retail mortgage lending (affordable housing loans), (c) alternative and distressed credit, which includes the asset reconstruction business, and (d) Platform AWS (asset management, retail wealth management and retail securities business), which includes mutual funds, wealth management for retail and elite clients, investment advisory, distribution business and equity broking.

As on December 31, 2023, the consolidated loan book stood at Rs. 15,111 crore (Rs. 15,653 crore as on March 31, 2023), distressed credit business assets under management (AUM) at Rs. 15,059 crore (Rs. 13,558 crore as on March 31, 2023), private wealth management AUM at Rs. 65,009 crore (Rs. 56,515 crore as on March 31, 2023), retail and elite wealth AUM at Rs. 29,514 crore and mutual fund quarterly average AUM (QAAUM) at Rs. 4,584 crore (Rs. 2,969 crore as on March 31, 2023). The Group is headquartered in Mumbai with a presence in ~878 locations across ~232 cities in India. JMFL's equity shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

JMFL reported a consolidated net profit (including share of non-controlling interest) of Rs. 709 crore (Rs. 992 crore in FY2022) on total income of Rs. 3,343 crore in FY2023 (Rs. 3,763 crore in FY2022). In 9M FY2024, JMFL reported a consolidated net profit (including share of non-controlling interest) of Rs. 705 crore on total income of Rs. 3,556 crore compared to a net profit of Rs. 676 crore on total income of Rs. 2,629 crore in 9M FY2023.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years							
		Amount Rated (Rs. crore)	Amount Outstanding as on May 2, 2024 (Rs. crore)	Date & Rating in FY2025		Date & Rating in FY2024		Date & Rating in FY2023		Date & Rating in FY2022	
				May 10, 2024	Mar 14, 2024	Oct 20, 2023	May 05, 2023	Oct 20, 2022	Apr 21, 2022	Jan 31, 2022	Jul 9, 2021
1 NCD programme*	Long term	5,558.04	3,757.94	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
2 NCD programme	Long term	441.96	-	[ICRA]AA (Stable); withdrawn	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
3 MLD (PP) programme	Long term	300.00	102.70	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA]AA (Stable)
4 Long-term fund-based bank lines	Long term	3,500.00	2,060.00	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	-	-
5 CP programme	Short term	1,000.00	0.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
6 Long-term bank lines (cash credit)^	Long term	-	-			-	-	-	-	[ICRA]AA (Stable)	[ICRA]AA (Stable)
7 Long-term bank lines (term loan)^	Long term	-	-			-	-	-	-	[ICRA]AA (Stable)	[ICRA]AA (Stable)
8 Long-term bank lines (unallocated)^	Long term	-	-			-	-	-	-	[ICRA]AA (Stable)	[ICRA]AA (Stable)

^Clubbed with long-term fund-based bank lines

Complexity level of the rated instruments

Instrument	Complexity Indicator
NCD programme	Simple*
MLD-PP programme	Complex^
Fund-based bank lines	Simple
Commercial paper	Very Simple**

* For the utilised portion of Rs. 4,199.9 crore and subject to change based on the terms of issuance for the balance amount

^ For the utilised portion of Rs. 102.7 crore and subject to change based on the terms of issuance for the balance amount

** For the utilised portion of Rs. 100.0 crore and subject to change based on the terms of issuance for the balance amount

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
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)
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)
INE651J07804	NCD	Nov 02, 2020	9.20%	Nov 01, 2030	55.00	[ICRA]AA (Stable)
INE651J07804	NCD	Nov12, 2020	9.20%	Nov 01, 2030	50.00	[ICRA]AA (Stable)
INE651J07804	NCD	Dec 11, 2020	9.20%	Nov 01, 2030	45.00	[ICRA]AA (Stable)
INE651J07804	NCD	Dec22, 2020	9.20%	Nov 01, 2030	50.00	[ICRA]AA (Stable)
INE651J07804	NCD	Jan 12, 2021	9.20%	Nov 01, 2030	50.00	[ICRA]AA (Stable)
INE651J07820	NCD	Mar 25, 2021	8.60%	Mar 25, 2033	30.00	[ICRA]AA (Stable)
INE651J07838	NCD	Jul 19, 2022	8.50%	Jul 18, 2031	50.00	[ICRA]AA (Stable)
INE651J07838	NCD	Nov 26, 2021	8.50%	Jul 18, 2031	35.00	[ICRA]AA (Stable)
INE651J07838	NCD	Dec 07, 2021	8.50%	Jul 18, 2031	75.00	[ICRA]AA (Stable)
INE651J07838	NCD	Mar 15, 2022	8.50%	Jul 18, 2031	100.00	[ICRA]AA (Stable)
INE651J07853	NCD	Jan 24, 2022	8.99%	Jan 23, 2032	300.00	[ICRA]AA (Stable)
INE651J07861	NCD	May 30, 2022	8.65%	May 28, 2032	25.00	[ICRA]AA (Stable)
INE651J07861	NCD	Jun 23, 2022	8.65%	May 28, 2032	50.00	[ICRA]AA (Stable)
INE651J07861	NCD	Jul 27, 2022	8.65%	May 28, 2032	50.00	[ICRA]AA (Stable)
INE651J07861	NCD	Oct 18, 2022	8.65%	May 28, 2032	75.00	[ICRA]AA (Stable)
INE651J07879	NCD	Oct 10, 2022	8.50%	Apr 09, 2025	200.00	[ICRA]AA (Stable)
INE651J07895	NCD	Mar 09, 2023	9.38%	Jun 09, 2026	125.00	[ICRA]AA (Stable)
INE651J07903	NCD	May 23, 2023	9.00%	Apr 27, 2026	100.00	[ICRA]AA (Stable)
INE651J07911	NCD	May 30, 2023	8.81%	May 29, 2026	25.00	[ICRA]AA (Stable)
INE651J07929	NCD	May 30, 2023	8.91%	Jun 30, 2026	50.00	[ICRA]AA (Stable)
INE651J07937	NCD	Jun 08, 2023	9.00%	Jun 08, 2027	50.00	[ICRA]AA (Stable)
INE651J07945	NCD	Jun 08, 2023	9.00%	Jun 08, 2026	50.00	[ICRA]AA (Stable)
INE651J07952	NCD	Jun 20, 2023	8.80%	Dec 19, 2025	100.00	[ICRA]AA (Stable)
INE651J07960	NCD	Feb 15, 2024	9.30%	Sep 25, 2026	350.00	[ICRA]AA (Stable)
INE651J07978	NCD	Feb 15, 2024	9.30%	Aug 14, 2026	150.00	[ICRA]AA (Stable)
INE651J07986	NCD	Feb 15, 2024	9.30%	Feb 15, 2027	250.00	[ICRA]AA (Stable)
NA	NCD programme*	NA	NA	NA	1,800.10	[ICRA]AA (Stable)
INE651J07663	NCD [^]	Dec 13, 2018	10.10%	Dec 13, 2023	49.09	[ICRA]AA (Stable); withdrawn
INE651J07671	NCD [^]	Dec 13, 2018	9.67%	Dec 13, 2023	42.87	[ICRA]AA (Stable); withdrawn
INE651J07812	NCD	Feb 05, 2021	8.25%	Feb 05, 2024	50.00	[ICRA]AA (Stable); withdrawn
INE651J07846	NCD	Jul 29, 2021	8.35%	Apr 26, 2024	300.00	[ICRA]AA (Stable); withdrawn
INE651J07887	MLD (PP) programme	Jan 30, 2023	G-Sec Linked	Mar 02, 2026	102.70	PP-MLD[ICRA]AA (Stable)
NA	MLD (PP) programme*	-	-	-	197.30	PP-MLD[ICRA]AA (Stable)
NA	Long-term fund-based bank lines	NA	NA	NA	3,500.00	[ICRA]AA (Stable)
NA	CP programme*	NA	NA	7-365 days	1,000.00	[ICRA]A1+

Source: Company; [^] Public issuance; *Proposed; As on May 2, 2024

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership as on March 31, 2023	Consolidation Approach
JM Financial Limited	Holding Company	ICRA has taken a consolidated view of the parent, its subsidiaries and an associate
JM Financial Asset Management Limited	59.54%	
JM Financial Products Limited	99.71%	
JM Financial Capital Limited*	100%	
JM Financial Services Limited*	100%	
JM Financial Credit Solutions Limited	46.68%	
JM Financial Asset Reconstruction Company Limited	58.28%	
JM Financial Home Loans Limited	94.04%	
JM Financial Institutional Securities Limited	100%	
JM Financial Trustee Company Private Limited	25%	
JM Financial Overseas Holding Private Limited	100%	
JM Financial Securities Inc.	100%	
JM Financial Singapore Pte Ltd	100%	
JM Financial Commtrade Limited	100%	
JM Financial Properties and Holdings Limited	100%	
Astute Investments	100%	
ARB Maestro	100%	
CR Retail Malls (India) Limited	100%	
Infinite India Investment Management Limited	100%	

Source: Company

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

* Pursuant to the National Company Law Tribunal (NCLT) order JM Financial Capital Limited was merged with JM Financial Services Limited with effect from April 1, 2023

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Anil Gupta
+91 124 4545 314
anilg@icraindia.com

Deep Inder Singh
+91 124 4545 830
deep.singh@icraindia.com

Kruti Jagad
+91 22 6114 3447
kruti.jagad@icraindia.com

Komal Mody
+91 22 6114 3424
komal.mody@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
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

ICRA Limited



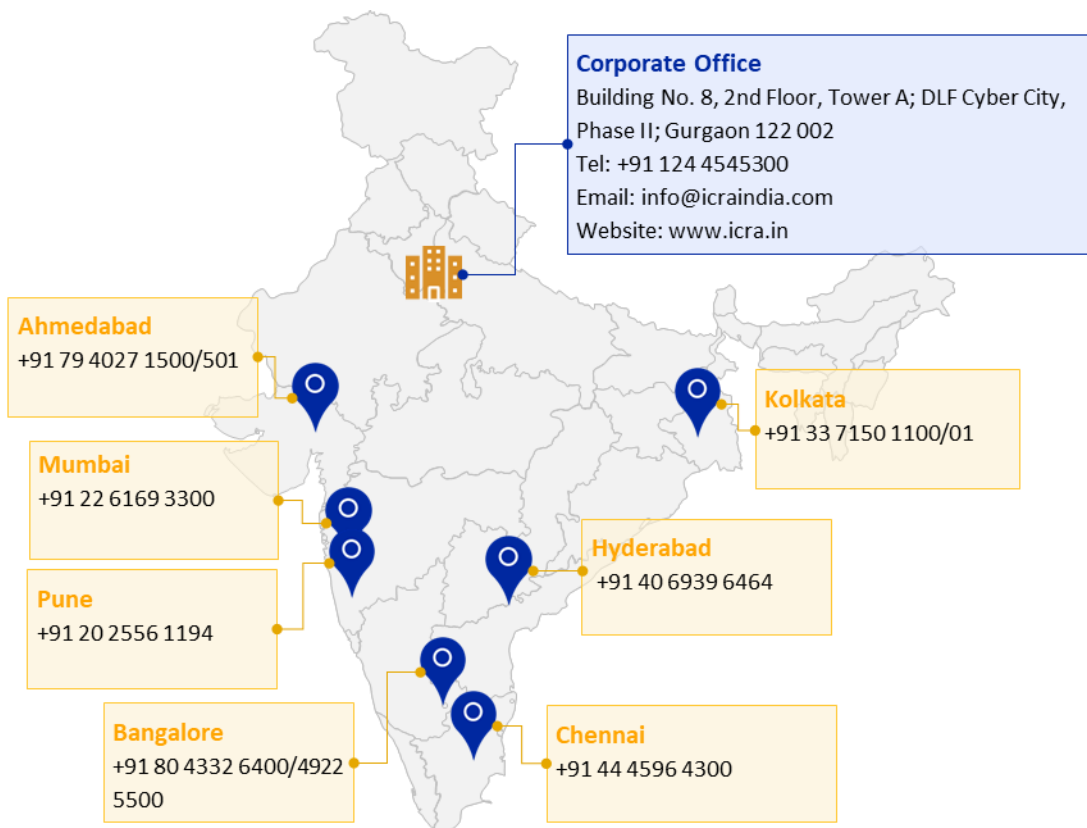
Registered Office

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

Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.