January 03, 2025

JM Financial Home Loans Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures (NCD) programme	520.0	520.0	[ICRA]AA (Stable); reaffirmed
Long-term fund-based bank lines – Others	2,500.0	2,500.0	[ICRA]AA (Stable); reaffirmed
Commercial paper (CP) programme	150.0	150.0	[ICRA]A1+; reaffirmed
Total	**3,170.0**	**3,170.0**	

**Instrument details are provided in Annexure I*

Rationale

While arriving at the ratings, ICRA has considered the consolidated financials of JM Financial Limited (JMFL). Given the common promoters and senior management team, common franchise, and financial and operational linkages, ICRA has taken a consolidated view of the credit profiles of JMFL and its subsidiaries (collectively referred to as the JM Financial Group), which are engaged in merchant banking, mortgage lending (retail and wholesale), bespoke finance, financial institution financing, capital market financing, institutional and retail broking, financial product distribution, wealth and asset management. ICRA has also factored in the support provided by JMFL to its subsidiaries and associates engaged in distressed asset management and other businesses.

The ratings continue to be supported by the Group's established track record and franchise in the domestic financial services industry, its diversified revenue stream, track record of adequate profitability and liquidity, and comfortable capitalisation with a consolidated gearing of 1.2 times as on September 30, 2024 (peak gearing of 2.5 times as on March 31, 2018, though on a lower net worth base). While ICRA is cognisant of the proposed exit of INH Mauritius Fund I at Rs. 1,282 crore[1] (minority investor in one of the subsidiaries), the consolidated capitalisation is expected to remain comfortable.

The Group has five decades of experience in investment banking and capital market related services. In the last decade, it also established its presence in the lending and asset reconstruction businesses while expanding its product mix in capital market and allied services. ICRA notes the Group's intention to move to the distribution, syndication and alternatives model from the on-balance sheet lending model for its wholesale credit business, comprising real estate financing, bespoke, financial institutions loans and distressed credit. In this regard, while comfort is drawn from the demonstrated track record of operating in the wholesale credit business, the Group's ability to successfully scale up the syndication and alternatives business will remain a key determinant of the profitability trajectory. Nevertheless, indebtedness is expected to ease further, considering the plan to pivot to an asset-light model in the wholesale credit business.

The aforesaid strengths are partially offset by the Group's exposure to the volatility in capital markets, portfolio concentration given the dominance of wholesale lending in the consolidated loan book, and the inherent risk profile of the key businesses [real estate focussed wholesale loan book accounted for ~36% of the consolidated net worth[2] as on September 30, 2024, while investment in security receipts (SRs)[3] and the associated loan book accounted formed ~29%]. ICRA notes the year-on-year

[1] Subject to regulatory approvals

[2] Including non-controlling interest (NCI), NCI of security receipt holders and net of goodwill

[3] Includes SRs held by non-banking financial companies (NBFCs) in the Group

(YoY) reduction in the Group's absolute wholesale mortgage lending and SR exposures, primarily through repayments and partly due to higher impairments/write-offs in the last 12-15 months[4]. While gross non-performing advances (GNPAs), in absolute terms, moderated in recent quarters, the GNPA percentage appears far more elevated due to the contraction in the loan book.

The ratings also factor in the risks arising from the nature of the asset reconstruction business, wherein recoveries and, consequently, the earnings and cash flows remain volatile. Further, the high portfolio concentration towards large-ticket exposures can result in a protracted resolution process along with the erosion in the value of the underlying assets in the asset reconstruction company (ARC) business as witnessed in FY2024. JM Financial Asset Reconstruction Company Limited (JMFARCL) had reported an exceptional item/impairment of Rs. 847 crore in FY2024 amid the evolving resolution process for one of its large exposures. Accordingly, it reported sizeable losses, resulting in a decline in its net worth. To reinstate JMFARCL's financial health, the Group infused Rs. 596 crore through a rights issue. Performance remained muted in H1 FY2025 as well with the ARC reporting a net loss of Rs. 50 crore, given the fair valuation losses on the SRs.

On March 5, 2024, the Reserve Bank of India (RBI) had directed JM Financial Products Limited (JMFPL) to cease and desist, with immediate effect, from any form of financing against shares and debentures, including the sanction and disbursal of loans against the initial public offering (IPO) of shares as well as against subscription to debentures. However, the regulator permitted it to service its existing loan accounts through the usual collection and recovery process. The regulator undertook a special audit to investigate the concerns and the ban was lifted on October 18, 2024 based on the corrective/process strengthening actions undertaken by the company during the inspection period. Simultaneously, the Securities and Exchange Board of India's (SEBI) had issued an order against JMFL's lead manager for the public issuance of the debt securities business. While JMFL has chosen the settlement route to resolve the issue, the settlement amount is unknown. Further, as a part of the settlement process, on June 20, 2024, JMFL announced its voluntary decision to refrain from acting as the lead manager for the public issuance of debt securities until March 2025 or any further date as prescribed by SEBI.

The Stable outlook reflects ICRA's expectation that the Group will continue to draw on its established franchise, diversified presence, and comfortable capitalisation, which should continue to support its healthy revenue profile and ensure adequate profitability.

Key rating drivers and their description

Credit strengths

Established track record and franchise with diversified presence in financial services industry – The JM Financial Group is a diversified financial services player with an established track record and franchise. It has a presence in merchant banking, institutional and retail broking, financial product distribution, mortgage lending (retail and wholesale), bespoke finance, financial institution financing, capital market financing, distressed credit[5], asset management and wealth management. It is one of the leading players in the investment banking, capital markets, and related businesses with a presence of five decades.

The Group was traditionally involved in the securities business and gradually forayed into the non-capital market lending business in 2008 to diversify its portfolio. It commenced the lending business with wholesale financing (bespoke and mortgage-backed wholesale lending), leveraging its experience in investment banking, and subsequently added retail lending (mortgage-backed retail lending) and lending to financial institutions to its portfolio. The consolidated loan book stood at Rs. 15,653 crore as on March 31, 2023 before declining to Rs. 9,547 crore as on September 30, 2024 amid the recoveries in the wholesale

[4] The management claimed that a significant portion of the impairments and provisioning was upfronted in FY2024

[5] Given the sizeable loss reported by JMFARCL in FY2024 and the corresponding decline in its net worth, JMFL (the holding company of the Group) and JM Financial Credit Solutions Limited infused additional capital to support the ARC's financial health. Accordingly, JMFL's consolidated share in the ARC business increased to 76.5% in May 2024. As on September 30, 2024, the assets under management (AUM) of the distressed credit business stood at Rs. 13,701 crore

mortgage business and the rundown in the capital market lending book, given the regulatory restrictions. The loan book is expected to contract further over the medium term as the Group moves from on-balance sheet lending to the distribution, syndication and alternatives model for its wholesale credit business. ICRA notes that the Group is not exiting any product segment and is just changing its operating model for the wholesale credit business. Thus, it is expected to continue having a diversified presence in the financial services industry.

As the Group pivots to the new business model, the residual on-balance sheet loan book is expected to be relatively granular. As on September 30, 2024, the consolidated loan book comprised wholesale mortgage-backed lending (42%), retail mortgage (32%), bespoke lending (17%), financial institution financing (8%) and capital market lending (1%). While the underlying product offering will remain diversified going forward, the revenue stream will be largely concentrated towards fee income compared to the existing model comprising a mix of net interest income and fee income, besides investment income. The Group's revenue stream remains adequately diversified with the investment bank, mortgage lending, alternative and distressed credit, and asset management, wealth management and securities businesses (Platform AWS) contributing 41%, 30%, 3% and 26%, respectively, in H1 FY2025 (41%, 32%, 7% and 20%, respectively, in FY2024).

Comfortable capitalisation – JMFL's consolidated capitalisation remains comfortable with a consolidated net worth (including non-controlling interest (NCI), NCI of SR holders and net of goodwill on consolidation) of Rs. 11,209 crore and a gearing of 1.2 times as on September 30, 2024. The capitalisation trajectory has been satisfactory, despite the large loss reported by the asset reconstruction business in Q4 FY2024. The financial leverage had peaked in FY2018 with a gearing of 2.5 times as of March 2018. The capitalisation level of each lending entity also remains comfortable.

ICRA is cognisant of the proposed exit of INH Mauritius Fund I at Rs, 1,282 crore[6]. The consolidated capitalisation is nevertheless expected to remain comfortable, provided there is no material change in the Group's dividend policy and/or sizeable incremental slippages in the wholesale lending segment and impairments in the distressed assets business. The capitalisation profile is expected to benefit in the medium term as the Group moves to an asset-light model for the wholesale credit business.

The Group raised Rs. 1,911 crore in H1 FY2025 (of which Rs. 810 crore was long term in nature) compared to Rs. 3,585 crore of long-term funds in FY2024 (Rs. 5,387 crore in FY2023) [7]. The incremental borrowing in FY2024 was relatively lower due to the steady recoveries from the wholesale mortgage lending business and the rundown of the capital market-oriented loan book.

As the Group is moving to an asset-light model, the need for incremental borrowings is expected to decline. Nonetheless, ICRA notes that resource mobilisation in this segment remained challenging in the preceding years, given the risk-averse sentiment of investors towards non-banks, particularly wholesale-oriented entities. As on September 30, 2024, the company's borrowing profile comprised non-convertible debentures and long-term intercorporate deposits (62% including private placement to mutual funds, insurance, trusts, corporates, banks and public issuance to retail investors), term loans (23%; from banks and non-banks), commercial paper (CP; 10%), short-term bank loans (1%) and others (4%). The Group's funding requirements will be for the retail mortgage business, retail broking and for meeting the sponsor commitment in the alternative investment funds (AIFs). Considering the intended end use of the incremental borrowings, an increase in the share of short-term borrowings in the borrowing mix cannot be ruled out. As on September 30, 2024, 85% of the Group's consolidated borrowings was long term while the balance (15%) was short term. With the rundown in the capital market-oriented loan book in recent quarters, dependence on short-term borrowings had declined temporarily. Pursuant to the regulatory orders passed against Group companies in March 2024, it repaid/prepaid its obligations towards CP, especially in JMFPL, to retain investor/market confidence.

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[6] *Subject to regulatory approvals*

[7] *Total fund raised in FY2024 (excluding funds raised for IPO financing) was Rs. 12,649 crore (Rs. 9,637 crore in FY2023)*

Track record of adequate profitability, notwithstanding moderation in FY2024 – The Group has a track record of adequate profitability as reflected by the 7-year average return on assets[8] (RoA) of 3.7% and return on equity[9] (RoE) of 10.8% between FY2017 and FY2023 (i.e. after it acquired a controlling stake in JMFARCL). However, the performance in FY2024 was characterised by divergent trends. While the Group reported its best-ever performance in the investment bank and Platform AWS segments, the exceptional losses/items pertaining to the decline in the fair valuation of SRs and higher provisioning in the wholesale mortgage lending segment affected the profitability. Supported by industry tailwinds in the capital market, the Group registered an improvement in its performance in H1 FY2025 compared to FY2024, though the elevated provisioning in the wholesale mortgage lending segment and the muted performance in the distressed assets segment kept the profitability indicators below the 7-year average. The performance in recent years was also impacted by the expansion of the retail mortgage business and technological advancement in the Platform AWS segment. The Group reported a consolidated RoA of 2.2% in H1 FY2025 compared to 0.1% in FY2024.

After reporting an uptick in its lending business in FY2022 and FY2023, the loan book contracted as of September 2024 due to the recoveries in the wholesale lending segment in the last 12-15 months along with the rundown of the capital market book (amid regulatory orders). The consolidated loan book is expected to reduce further over the medium term as the Group pivots to the new business model. With the decline in on-balance sheet wholesale lending exposures, the residual loan book is expected to be relatively granular. Further, as the wholesale credit book runs down, the Group's liquidity will remain shored up. Thus, treasury activities are also expected to emerge as another key contributor to the consolidated profit in the near and medium term. As the Group transitions to a fee-based model, its ability to scale up the assets under management (AUM) of the wealth management, asset management, alternatives and syndication segments will remain imperative. Until then, the core investment banking/merchant banking and allied capital market services will dominate the consolidated revenue. Currently, the Group's revenue stream remains fairly diversified comprising a mix of net interest income, fee income and fair value gains. However, going forward, while the underlying product offering will remain diversified, the revenue stream will be largely concentrated towards fee income and fair value gains.

Credit challenges

Inherent volatility in capital market related businesses – Notwithstanding the diversified presence across financial services, a sizeable portion of JMFL's consolidated revenue remains dependent on capital markets, which are inherently volatile in nature. Besides, it remains exposed to credit and market risks on account of bespoke finance, capital market lending and the SEBI margin trade funding (MTF) book, given the nature of the underlying assets. The recent build-up in the investment-cum-trading book also exposes the Group to direct market risk. A sharp correction in the capital market can erode the value of this book in a short span. Further, if investor sentiment in the capital market remains weak for a prolonged period, these losses can become permanent.

ICRA also notes that the Group's scale of operations in the wealth and asset management segment, comprising in-house manufactured portfolio management services, credit and private equity alternatives and mutual funds, and distribution of third-party wealth products, remains modest. Its ability to meaningful scale up the AUM and the distribution and syndication business will be imperative. In this regard, competition in this cyclical industry is expected to remain high, though increasing financialisation of savings and lower exposure of household savings towards the equity segment indicate untapped potential for expansion in the asset and wealth management and securities broking segments over the long term. Moreover, securities brokers rely heavily on technology for order placements, trade execution, fund management, etc. Thus, any technical failure or disruption, such as a system glitch, can pose operational, financial and reputation risk. Additionally, the regulatory environment is continuously evolving as the regulator introduces/modifies rules and regulations aimed at protecting investor interest and maintaining market integrity. Compliance with these evolving regulatory obligations remains critical.

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[8] All ratios as per ICRA's calculations; RoA based on gross assets

[9] All ratios as per ICRA's calculations

Risks related to distressed assets segment and wholesale loan book – The Group's lending business also comprises the wholesale mortgage-backed segment, retail mortgage-backed lending, bespoke finance and selective large-ticket loans in the financial institution lending segment. Real estate financing, bespoke and financial institution loans accounted for ~67% of the loan book as on September 30, 2024. Moreover, despite the YoY reduction in the wholesale mortgage lending exposures (partly due to higher write-offs during the year[10]), the loan book concentration in the lending business remains high. As on September 30, 2024, the top 10 accounts comprised ~36% of the loan book and ~30% of the consolidated net worth. Slippages in such large accounts can result in a lumpy deterioration in the asset quality, exposing the Group to concentration risk.

Given the pressure on some underlying wholesale loans, the stressed exposures in the lending business witnessed an uptick in recent quarters. This, coupled with the contracting loan book, is reflected in the elevated gross non-performing assets/gross advances (GNPA) ratio. The GNPA ratio stood at 8.7% as on September 30, 2024 compared to 4.7% as on March 31, 2024 and 3.4% as on March 31, 2023. As the provisioning rate for stressed accounts was increased, the net NPA ratio has largely remained range-bound and stood at 2.6% as on September 30, 2024 compared to 2.2% as on March 31, 2024 and 2.1% as of March 2023. Net NPAs, as a percentage of the net worth of the NBFCs[11] in the Group, stood at 3.7% as on September 30, 2024, providing adequate headroom to absorb losses.

The provision coverage ratio (PCR) on GNPAs increased to ~70% in September 2024 from ~36% in March 2023. The total PCR on the loan book increased to 8.1% as of September 2024 from 4.5% as of March 2024 and 3.1% as of March 2023. The special mention accounts (SMA)-2, however, stood relatively lower at 1.1% as on September 30, 2024 compared to 1.6% as on March 31, 2024. ICRA notes that the Group's asset quality indicators will remain optically impacted in the medium term as it winds down the on-balance sheet wholesale credit business. Also, its non-banking financial companies (NBFCs) held SRs aggregating Rs. 422 crore (fair value), as on September 30, 2024, against the assets sold to JMFARCL[12]. Herein, the Group's ability to curtail incremental delinquencies and achieve timely and successful resolution of the stressed assets will remain important for maintaining comfortable capitalisation and adequate profitability.

Environmental and social risks

Given the service-oriented business of JMFL, its direct exposure to environmental risks/physical climate risks is not material. Further, the Group's operations remain diversified. While lending institutions can be exposed to environmental risks indirectly through their portfolio of assets, JMFL's exposure to environmentally sensitive segments remains low. Hence, indirect transition risks arising from changes in regulations or policies concerning the underlying assets are not material.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for lending and investment banking institutions as material lapses could be detrimental to their reputation and could invite regulatory censure. JMFL has not faced such lapses over the years and its disclosures outline the key policies, processes, and investments made by it to mitigate the occurrence of such instances. JMFL also promotes financial inclusion by lending to the affordable housing segments.

Liquidity position: Adequate

As on September 30, 2024, the Group had unencumbered on-balance sheet liquidity comprising a cash and bank balance, Government securities, Treasury bills and liquid mutual funds of Rs. 5,448 crore (~39% of the consolidated borrowing including accrued interest) and unutilised bank lines of Rs. 208 crore. The liquidity is also supported by the expected inflow from operations of Rs. 3,802 crore in the next six months. Besides, the Group's investment of Rs. 859 crore as on September 30, 2024, comprising listed equity shares, investment in real estate investment trusts (REITs) and corporate bonds, lends financial

[10] *The management claimed that a significant portion of the provisioning was upfronted in FY2024*

[11] *JM Financial Credit Solutions Limited and JM Financial Products Limited; net worth of JM Financial Home Loans Limited is not included as it is a subsidiary of the above-mentioned entities*

[12] *Rs. 411 crore as on March 31, 2023*

flexibility. In the next six months the Group had debt obligations (principal and interest) of Rs. 3,207 crore and the exit payout of Rs. 1,282 crore to INH Mauritius Fund I.

Rating sensitivities

Positive factors – A sustained improvement in fee-based income trajectory, supporting robust profitability, and a substantial improvement in the market position in the asset management, wealth management and retail mortgage businesses will be credit positives.

Negative factors – Sustained pressure on profitability and/or significant weakening of the capitalisation level will be credit negatives. Additionally, continued deterioration in the asset quality and hence the consolidated solvency {net stressed assets/consolidated net worth (excluding the net worth of the ARC)} will be a negative for the credit profile.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies (NBFCs) Rating Methodology for Stockbroking & Allied Services
Parent/Group support	Not applicable; while arriving at the ratings, ICRA has considered the consolidated financials of 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, 2024, JMFL had ten subsidiaries, four 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

Incorporated in December 2016, JM Financial Home Loans Limited (JMFHL) is the housing finance arm of the Group. Registered with National Housing Bank (NHB), it offers affordable housing loans and loan against property (LAP). JM Financial Products Limited (JMFPL) is the largest shareholder of JMHFL with a 90% stake while 9% is held by JM Financial Credit Solutions Limited and 1% by employees. The entity is in the expansion phase and the AUM, as on September 30, 2024, was Rs. 2,366 crore. It operates through a network of 118 branches across 9 states, primarily in West, South and Central India. Home loans comprised 70% of the portfolio while LAP accounted for the balance. The reported average ticket size was Rs. 0.10 crore and loan-to-value (LTV) was 58% as on September 30, 2024. The gross non-performing assets (NPAs) stood at 1.0% (net NPA: 0.6%) as on September 30, 2024.

JMFHL reported a net profit of Rs. 30 crore in H1 FY2025 on total income of Rs. 176 crore. The net profit was Rs. 40 crore in FY2024 on total income of Rs. 257 crore compared to Rs. 29 crore and Rs. 171 crore, respectively, in FY2023. As on September 30, 2024, JMFHL's capitalisation was characterised by a net worth of Rs. 658 crore and a managed gearing of 2.7 times.

Key financial indicators (audited)

JMFHL – Standalone	FY2023	FY2024	H1 FY2025^
Total income	171	257	176
Profit after tax	29	40	30
Total managed assets*	1,576	2,345	2,511
Return on managed assets	2.3%	2.0%	2.4%
Managed gearing (times)^^	3.4	2.6	2.7
Gross NPA	0.8%	0.7%	1.0%
CRAR	36.1%	39.3%	41.2%

*Source: JMFHL, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; ^ Limited review; ^^ Including off-balance sheet loan book;*Total assets including off-balanced sheet loan book*

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, fixed income, syndication and corporate/promoter finance, capital market related lending, private wealth management services for high-net-worth individual (HNI)/ultra HNI clients, and portfolio management services; (b) 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 and equity broking; (c) mortgage lending, which includes wholesale and retail mortgage lending (affordable housing loans) and (d) distressed credit, which includes the asset reconstruction business.

While the private wealth management AUM was Rs. 76,262 crore as on September 30, 2024, retail and elite wealth AUM stood at Rs. 33,520 crore and the mutual fund quarterly average AUM (QAAUM) was Rs. 11,445 crore[13]. The consolidated loan book stood at Rs. 9,547 crore as on September 30, 2024 and the distressed credit business AUM was Rs. 13,701 crore. The Group is headquartered in Mumbai and has a presence in ~874 locations spread across ~227 cities in India. JMFL's equity shares are listed in India 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. 331 crore in H1 FY2025 on total income of Rs. 2,305 crore. It reported a consolidated net profit (including share of non-controlling interest) of Rs. 31 crore in FY2024 (Rs. 709 crore in FY2023) on total income of Rs. 4,832 crore (Rs. 3,343 crore in FY2023).

Key financial indicators (audited)

JMFL – Consolidated	FY2023	FY2024	H1 FY2025^
Total income	3,343	4,832	2,305
Profit after tax (including the share of non-controlling interest and share in profit of associate)	709	31^^	331
Profit after tax (adjusted for the share of non-controlling interest)	597	410	403
Total assets**	29,318	29,711	27,927
Return on total assets	2.5%	0.1%	2.2%
Return on net worth	6.5%	0.3%	6.0%
Return on net worth (adjusted for the share of non-controlling interest)	7.6%	5.0%	9.4%
Gross gearing (times)!	1.4	1.5	1.2
Gross NPA	3.4%	4.7%	8.7%
CRAR@	38.6%	37.0%	37.4%

[13] *Debt and equity combined*

Source: JMFL, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; ^ Limited review
^^Exceptional loss of Rs. 847 crore booked in JMFARCL pertaining to higher provision/fair value losses in certain trusts of one large account in FY2024
*** Excluding goodwill on consolidation; ! Excludes borrowing for IPO financing segment and includes accrued interest; @ For JM Financial Credit Solutions Limited (JMFCSL), JM Financial Capital Limited (JMFCL), JMFPL and JM Financial Home Loans Limited (JMFHL)*

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 (FY2025)			Chronology of Rating History for the Past 3 Years							
	Type	Amount Rated (Rs. crore)	Jan 03, 2025	Date & Rating in FY2025		Date & Rating in FY2024		Date & Rating in FY2023		Date & Rating in FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
NCD programme	Long term	520.0	[ICRA]AA (Stable)	May 10, 2024	[ICRA]AA (Stable)	May 05, 2023	[ICRA]AA (Stable)	Jun 30, 2022	[ICRA]AA (Stable)	Feb 11, 2022	[ICRA]AA (Stable)
				Jul 05, 2024	[ICRA]AA (Stable)	Oct 20, 2023	[ICRA]AA (Stable)	Sep 29, 2022	[ICRA]AA (Stable)		
				Jul 15, 2024	[ICRA]AA (Stable)	Mar 14, 2024	[ICRA]AA (Stable)	Oct 20, 2022	[ICRA]AA (Stable)		
Fund-based bank lines – Others	Long term	2,500.00	[ICRA]AA (Stable)	May 10, 2024	[ICRA]AA (Stable)	May 05, 2023	[ICRA]AA (Stable)	Jun 30, 2022	[ICRA]AA (Stable)	Feb 11, 2022	[ICRA]AA (Stable)
				Jul 05, 2024	[ICRA]AA (Stable)	Oct 20, 2023	[ICRA]AA (Stable)	Sep 29, 2022	[ICRA]AA (Stable)		
				Jul 15, 2024	[ICRA]AA (Stable)	Mar 14, 2024	[ICRA]AA (Stable)	Oct 20, 2022	[ICRA]AA (Stable)		
CP programme	Short term	150.00	[ICRA]A1+	May 10, 2024	[ICRA]A1+	Oct 20, 2023	[ICRA]A1+				
				Jul 05, 2024	[ICRA]A1+	Mar 14, 2024	[ICRA]A1+				
				Jul 15, 2024	[ICRA]A1+						
Long-term bank lines (cash credit)^	Long term	-								Feb 11, 2022	[ICRA]AA (Stable)
Long-term bank lines (term loan)^	Long term	-								Feb 11, 2022	[ICRA]AA (Stable)
Long-term bank lines (unallocated)^	Long term	-								Feb 11, 2022	[ICRA]AA (Stable)

^ Clubbed with fund-based bank lines – Others

Complexity level of the rated instruments

Instrument	Complexity Indicator
NCD programme	Simple*
Fund-based bank lines – Others	Simple
CP programme	Very simple

** Subject to change based on the terms of issuance of the unplaced 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
INE01A207013	NCD	Aug 30, 2018	9.51%	Aug 30, 2028	25.00	[ICRA]AA (Stable)
INE01A207062	NCD	Oct 21, 2020	8.00%	Oct 20, 2025	10.00	[ICRA]AA (Stable)
INE01A207104	NCD	May 31, 2022	MCLR linked	May 31, 2026	50.00	[ICRA]AA (Stable)
INE01A207112	NCD	Mar 28, 2023	8.75%	Jun 28, 2026	10.00	[ICRA]AA (Stable)
INE01A207120	NCD	May 15, 2023	8.80%	May 15, 2027	15.00	[ICRA]AA (Stable)
INE01A207138	NCD	Sep 28,2023	Linked to repo rate	Sep 28, 2027	34.00	[ICRA]AA (Stable)
INE01A207146	NCD	Nov 01, 2023	8.86%	Oct 30, 2026	100.00	[ICRA]AA (Stable)
INE01A207153	NCD	Dec 29, 2023	Linked to repo rate	Dec 29,2027	16.00	[ICRA]AA (Stable)
NA	NCD programme*		-		260.00	[ICRA]AA (Stable)
NA	Fund-based bank lines	NA	NA	NA	2,500.0	[ICRA]AA (Stable)
NA	CP programme*	-	-	7-365 days	150.0	[ICRA]A1+

*Source: Company; * Proposed; As on Dec 15, 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, 2024	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 Services Limited	100%	
JM Financial Credit Solutions Limited	46.68%	
JM Financial Asset Reconstruction Company Limited*	58.28%	
JM Financial Home Loans Limited	94.02%	
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

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

** Effective shareholding in JM Financial Asset Reconstruction Company Limited increased to 76.45% pursuant to subscription to rights issue on May 29, 2024*

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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.

For more information, visit www.icra.in

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Branches