

JM Financial Hits 1st Close of ₹600cr for Its Maiden Credit Fund

Swaraj Dhanjal & Deborshi Chaki

Mumbai: Financial service group JM Financial has hit the first close of its maiden performing credit fund – JM Credit Opportunities Fund – 1 – raising over ₹600 crore in commitment from domestic HNIs and family offices, a senior executive told ET.

“This is going to be our flagship credit strategy. Inclusive of co-investments the overall commitment is in excess of ₹600 crore. We will be looking to invest the entire capital within this quarter,” said Anuj Kapoor, managing director & CEO, Private Wealth and Alternates Asset Management, JM Financial.

JM is looking to raise as much as ₹1,500 crore for the final close of the fund, inclusive of co investments. The group has invested 10% of the capital as sponsor commitment into the fund.



JM Financial is looking to raise as much as ₹1,500 crore for the final close of the fund

The JM credit fund obtained SEBI approval in January 2023 and was launched in March 2023. The credit fund will be managed by Pranob Gupta.

“We have a very strong history in structured lending through our NBFC, which we have been doing for over two decades. While a lot of the NBFCs have withered away and there are quite a few credit funds that have mushroomed in recent years, the way we are looking to distinguish ourselves is that we have a very strong platform, where within our ecosystem we get a strong flow of deals. We have a very strong underwriting capability which is demonstrated by the track record of our NBFC,” said Kapoor.

“We are looking to lend for situations where banks can’t lend such as domestic acquisitions or partner buyouts,” added Kapoor.

The fund will not invest in distressed situations or real estate. The fund is targeting mid to high teen returns.

JM is looking at deal sizes starting from ₹200-300 crore to ₹500 crore and above. “We will look to distribute some of this paper. Individual investment size through the fund will be Rs50-100 crore, but we will do larger deals and distribute the balance paper,” said Kapoor.