



11th May, 2024



India's Best Performing and Most Customer Centric PMS

Empowering India's Financial Landscape: Jio Financial Services Limited at the Forefront of Innovation and Inclusion

Overview of Jio Financial Services Limited (JFSL): Jio Financial Services Limited, originally established as Reliance Strategic Investments Private Limited in 1999, operates as a non-banking financial company under the regulations of the Reserve Bank of India. It manages its operations through various subsidiaries and a joint venture, providing a comprehensive range of financial services that cater to diverse consumer needs.

Group Structure and Subsidiaries: As of the first half of FY24, Jio Financial Services Ltd. acts as the holding company for a range of financial subsidiaries, including Jio Finance Ltd., Jio Insurance Broking Ltd., and Jio Payments Bank. This extensive group structure facilitates JFSL's strategic objectives to broaden its impact across the financial sector, enhancing its service offerings.

Innovative Lending Solutions: JFSL offers a variety of lending products, such as personal loans accessible in Mumbai through the MyJio app and consumer durable loans available across 300 stores nationwide. The company is actively planning to launch a suite of new products including business and merchant loans, auto loans, home loans, and loans against shares, aiming to cater to a wider customer base.

Insurance Services Expansion: Jio Insurance Broking Limited has established partnerships with 24 insurance companies, providing a diverse range of insurance products that include general, life, auto, and health insurance, as well as embedded insurance and corporate solutions. These offerings ensure that both individuals and corporate clients have access to comprehensive coverage options.

Enhancements in Payments Bank Services: Jio Payments Bank Limited has not only revamped its savings accounts and bill payment services but is also set to launch debit cards to expand its banking services. The bank's extensive network of approximately 2,400 business correspondents ensures widespread accessibility and convenience for customers across different regions.

Innovations in Payment Solutions: Jio Payment Solutions Limited has advanced payment technology by launching the Sound Box in its pilot stage, aiming to improve transaction experiences for both merchants and customers.

Future Prospects in Financial Services: JFSL is expanding its offerings with upcoming products like business and merchant loans, and auto and home loans. This expansion is geared towards meeting the increasing demand for personalized financial services.

Conclusion: A Comprehensive Financial Ecosystem: Jio Financial Services Limited plays a crucial role in India's financial services industry, continuously innovating and expanding its product offerings to cater to diverse customer needs and drive financial inclusion.

Stock Data	
CMP (11-05-2024)	348
52 Week High/Low	395/203
Face Value	10.00
Market Cap (In Crs)	2,20,999
Enterprise Value (In Crs)	2,10,039
NSE	JIOFIN
BSE	543940
Bloomberg	JIOFIN:IN
Sector	FINANCE & INVESTMENTS

Shareholding Pattern (in %)		
	MAR 24	DEC 23
Promoter	47.12%	47.12%
FII	19.45%	19.83%
DII	12.50%	12.99%
Public	20.77%	19.92%

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	-2.06	13.43	20.54
JIOFIN	-6.65	54.59	39.59

Key Ratios	
P/E	138
P/S	119
P/B	1.59
Debt To Equity	0.00
ROE	1.27%
ROCE	1.55%
Dividend Yield	0.00%

Q4 FY 24 Result Update

Q4 FY24 Result Comparison (In Rs Cr)					
	Q4 FY24	Q3 FY24	FY23	QOQ	YOY
Interest Income	281	269	38	4.46%	639.47%
Other Income	137	145	6	-5.52%	2183.33%
Expense	101	99	6	2.02%	1583.33%
PPOP	317	315	38	0.63%	734.21%
Net Profit	311	294	31	5.78%	903.23%

Result Highlights

Stellar Quarterly Progress at Jio Financial Services Ltd

Robust Surge in Interest Income: Jio Financial Services Ltd. showcased a robust performance in interest income during Q4 FY24, achieving ₹281 crore, up from ₹269 crore in Q3 FY24. This 4.46% quarterly growth is overshadowed by a staggering year-over-year increase of 639.47%, reflecting significant gains in the company's earning assets and improved interest margins. This exceptional surge, indicative of the company's strategic focus on high-yield assets, highlights its ability to capitalize on favorable market conditions.

Diversification in Other Income Streams: The company also saw growth in its other income, which rose to ₹137 crore, albeit with a slight decline of 5.52% compared to the previous quarter. However, the year-over-year comparison is notably positive, with a rise of 2183.33%. This indicates a successful diversification and optimization of non-interest income streams, bolstering overall financial health, reflecting innovative approaches to revenue generation. Such diversification is crucial for reducing risk and stabilizing income flows.

Managing Expenses Effectively: Despite revenue growth, Jio Financial Services Ltd. managed to keep its expenses relatively stable at ₹101 crore, a marginal increase from ₹99 crore in Q3 FY24. This translates to a modest quarterly increase of 2.02%, and a more pronounced annual increase of 1583.33%, suggesting strategic spending aligned with expanding operations. This careful management of expenses underscores the company's commitment to efficiency and its strategic focus on cost control.

Growth in Pre-Profit Operating Profit (PPOP): The company's PPOP for Q4 FY24 stood at ₹317 crore, up from ₹315 crore in the previous quarter, showing a stable growth rate of 0.63%. On an annual basis, the growth rate was a robust 734.21%, underlining effective cost management and operational efficiency. This steady growth in PPOP suggests strong underlying operational health, financial discipline, and a clear alignment with long-term profitability goals.

Significant Increase in Net Profit: Net profit for the quarter was particularly strong at ₹311 crore, growing 5.78% over the previous quarter's ₹294 crore. The year-over-year increase was even more impressive at 903.23%, highlighting the company's success in enhancing profitability through both operational improvements and strategic initiatives. This robust net profit growth underlines the company's strong performance, operational excellence, and its adeptness at navigating the financial landscape.

Conclusion: A Quarter of Exceptional Achievements: Q4 FY24 has been a quarter of exceptional financial achievements for Jio Financial Services Ltd. The significant increases across various financial metrics not only demonstrate the company's ability to adapt and thrive in changing market conditions but also underscore its commitment to sustainable growth and shareholder value creation. This quarter's results reflect a well-executed strategy that positions the company for ongoing success and indicates a promising outlook for future quarters.

Concall Highlights

Harnessing Technology for Strategic Growth at Jio Financial Services Ltd.: Jio Financial Services Ltd. positions technology as a fundamental driver of its strategic growth, emphasizing innovation in its approach to digital, analytics, and technology. The company leverages an agile approach, utilizing AI, alternate data, and bolt-on features to adapt swiftly to market dynamics and evolving customer needs. This includes the absence of legacy systems, which allows for significant cost efficiencies and enhanced computing capabilities. By capitalizing on new entrant advantages and leveraging technologies such as account aggregators and alternate data, Jio aims to facilitate non-linear growth and create enriched customer profiles for more tailored offerings. This strategic use of technology not only lowers service costs but also significantly enhances customer experiences, positioning Jio as a leader in digital transformation within the financial sector.

Advanced Risk Management at Jio Financial Services Ltd.: Jio Financial Services Ltd. adopts advanced risk management and credit underwriting practices to ensure efficient handling of credit risks and customer profiles. By utilizing both conventional and alternate data sources within the confines of the DPDP Act, the company conducts thorough pre-assessment and profiling of customers. This is complemented by an end-to-end digital journey that enables real-time underwriting. Additionally, Jio employs sophisticated AI models for the real-time monitoring of potential risks and implements AI-driven preemptive and curative collection strategies using behavioral analytics. These practices not only uphold high standards of compliance but also lead to significantly lower credit costs, thus enhancing overall operational efficiency and financial stability.

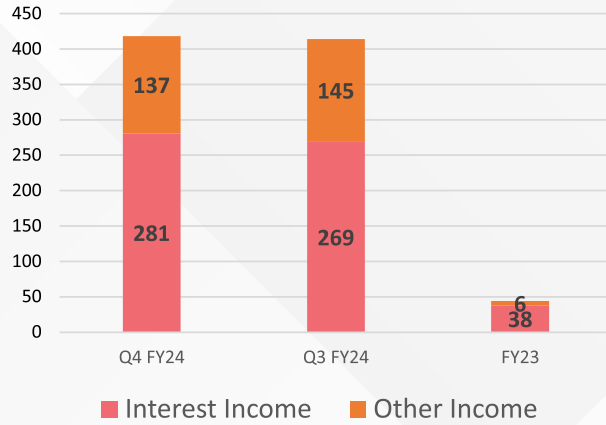
Core Competencies of Jio Financial Services Ltd.: Jio Financial Services Ltd. stands out in the financial sector with its robust capital foundation and advanced technological capabilities, ensuring a solid platform for its growth strategies. With a substantial net worth of Rs. 24,437 crore and a high credit rating of 'AAA' by CRISIL, the company is well-positioned to fund its expansion and innovation. The brand's established presence also significantly enhances consumer trust and market recognition. Technologically, Jio leverages a cutting-edge tech stack that includes agile, modular, and cloud-native solutions, along with SaaS and open-source technologies. This, combined with the strategic use of data from credit bureaus and account aggregators within regulatory frameworks, empowers continuous enhancement through AI and ML technologies. Furthermore, Jio's strategy ensures proximity to customers, facilitating easy access and interaction within its ecosystem, which enhances user experience and satisfaction.

Foundational Principles of Jio Financial Services Ltd.: Jio Financial Services Ltd. upholds a set of core principles that guide its operations and interactions with stakeholders. At the heart of its values is a strong commitment to maintaining an excellent reputation by adhering to the highest ethical standards and best-in-class governance within the regulatory framework. Regulation is pivotal, ensuring all business practices comply with established laws, thereby safeguarding stakeholder interests. The company places a high priority on the prudent return of capital, focusing on ensuring that every investment is judiciously managed within defined risk parameters. Moreover, Jio Financial Services is dedicated to delivering fair and substantial returns on capital, which underscores its commitment to rewarding its shareholders and enhancing stakeholder value. These principles not only foster trust and integrity but also drive the company's long-term sustainability and success.

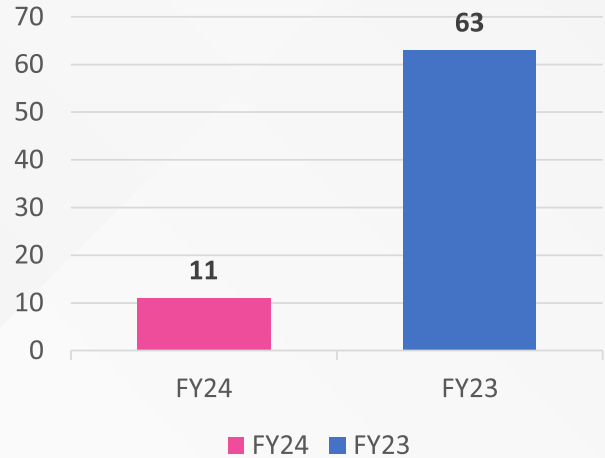
Financial Performance Analysis of Jio Financial Services Ltd for FY 2024: Jio Financial Services Ltd exhibited strong financial growth in FY 2024, with significant improvements across key financial metrics. The company's interest income saw a substantial increase, totaling ₹938 crore for the year, compared to ₹38 crore in FY 2023. This growth is attributed to strategic expansions and enhanced market activities. Dividend income also saw a remarkable rise to ₹217 crore, reflecting profitable investments. The fees and commission income generated ₹152 crore, while gains from fair value changes contributed ₹547 crore, indicating robust trading and investment strategies. Overall, the total income for the year soared to ₹1,855 crore. The company managed its expenses prudently, leading to a profit after tax of ₹1,605 crore, up from ₹31 crore the previous year, showcasing effective management and strong operational performance. This financial strength underscores Jio Financial Services Ltd's capacity to sustain growth and deliver shareholder value.

Robust Financial Growth and Stability in Jio Financial Services Ltd's FY 2024 Balance Sheet: Jio Financial Services Ltd showcased remarkable financial growth and stability in its FY 2024 balance sheet. Total assets increased significantly from ₹1,14,930 crore in 2023 to ₹1,44,863 crore in 2024, driven by substantial growth in cash and bank balances, which almost doubled to ₹10,960 crore. Investments also rose to ₹1,33,292 crore, reflecting a strategic focus on high-yield assets. The net worth of the company surged impressively from ₹1,14,120 crore to ₹1,39,148 crore, supported by a massive increase in other equity, which now stands at ₹6,353 crore. Borrowings saw a notable rise to ₹1,32,795 crore, aligning with the company's aggressive growth and investment strategy. These figures not only underscore the company's financial robustness but also its proactive management in maximizing asset utilization and strengthening its market position.

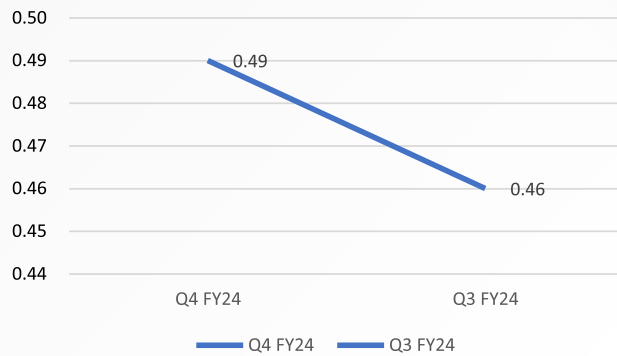
Interest & Other Income (In Cr)



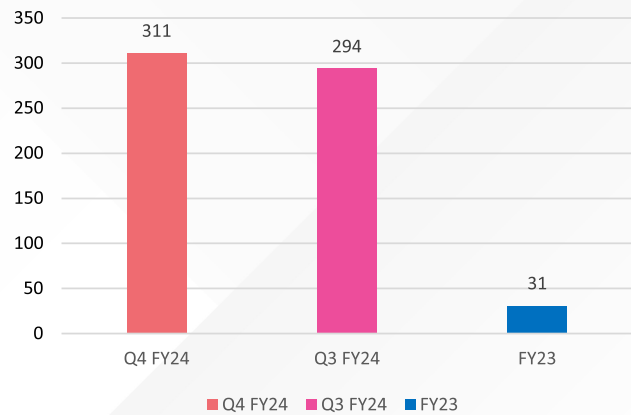
Cashflow (In Cr)



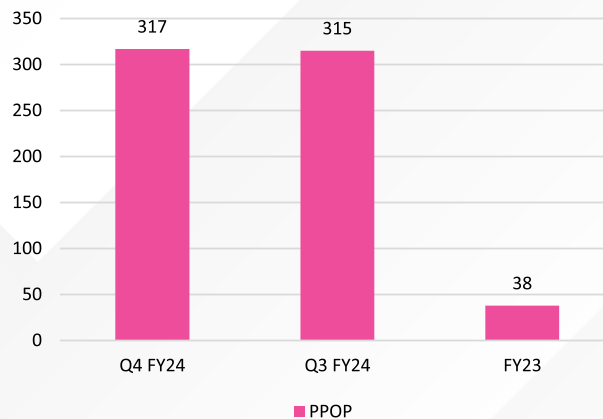
EPS



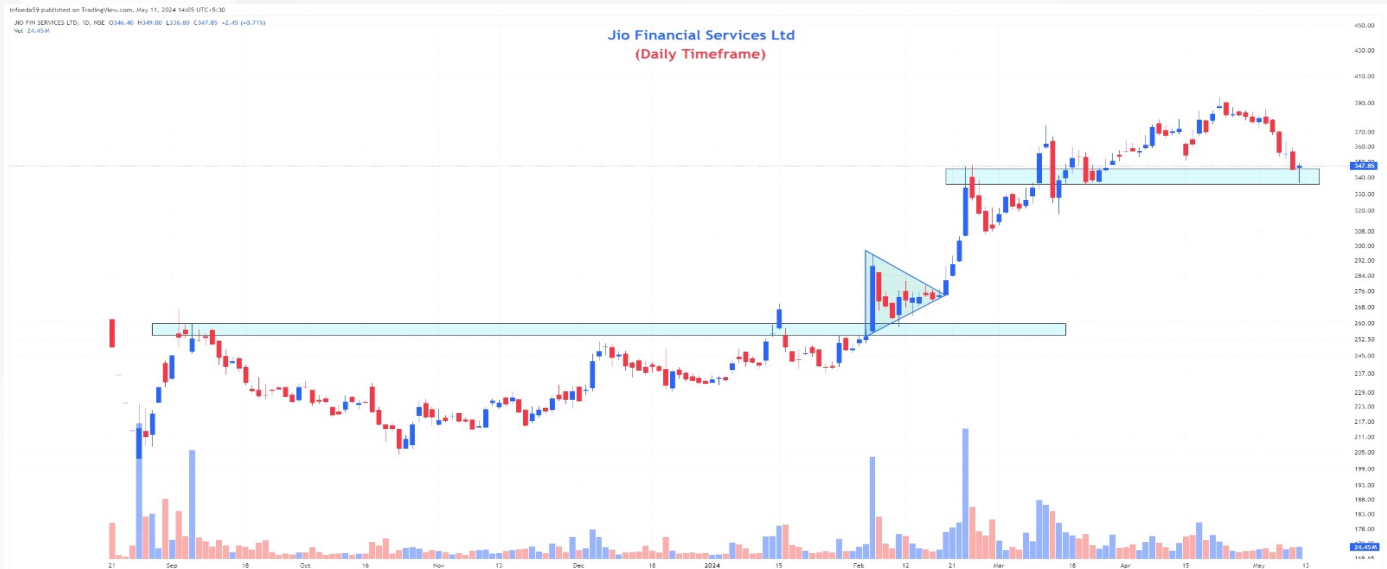
Net Profit (In Cr)



PPOP (In Cr)



Technical Outlook



The daily chart of Jio Financial Services Ltd shows a consolidation phase as represented by the rectangle in the earlier part of the chart, indicating a period of equilibrium between buyers and sellers. This was followed by a strong bullish movement, forming a pennant pattern, which is typically a continuation signal. The breakout from this pennant led to significant price gains. The stock has begun to correct, as seen in the recent red candles, and it has returned to test the previous support zone around 340-345. This area is critical as it acted as resistance before the upward breakout, and now serves as a potential support. The declining trading volume accompanying the recent price drop suggests a lack of strong selling pressure, which could indicate that the stock might stabilize or rebound from this support level.

The moving averages for Jio Financial Services show higher values for the Simple Moving Average (SMA) compared to the Exponential Moving Average (EMA) across most periods, indicating a possibly overvalued trend in the shorter term. Long-term stability is questionable as the 100-day SMA significantly exceeds the 100-day EMA, suggesting a need for cautious approach.

The RSI values for Jio Financial Services indicate varied momentum across timeframes. The daily RSI at 40.44 suggests bearish momentum, while the weekly RSI at 63.93 points towards a bullish longer-term trend. This implies potential short-term selling pressure but overall positive sentiment.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	355	354.7
10	367	361.9
20	370.6	364.5
50	353.5	347.6
100	303.7	317.1
200	-	-

Pivot Levels : FIBONACCI			Daily		Weekly
R1 352.3	Pivot 344.55	S1 340.1	Relative Strength Index (RSI)	40.44	63.93
R2 356.8		S2 332.4			
R3 364.5		S3 327.9			

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