

Background	Financial Performance & Growth Overview	Cash Flow Analysis & Strategic Investments	Market Position & Business Expansion	Investment Rationale & Competitive Advantage	Risk Assessment & Investment Recommendation
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## Jio Financial Services Ltd: One Stop Financial Solutions in India

### Company Overview

Established in 1999 and headquartered in Mumbai, JFSL is a diversified financial services provider.

Post its demerger from Reliance Industries Limited (RIL) in August 2023, JFSL has expanded its portfolio to include payment services, insurance broking, and asset management.

### Business Segments & Offering

- Leading & credit services
- Payments & digital finance
- Wealth & asset management
- Insurance
- Leasing & infrastructure

1999  
Established

2023  
Demerger  
from RIL

Expansion  
into  
financial  
services

Jio Financial Services

Jio Finance

Jio Insurance  
Broking

Jio Payment  
Solutions

Jio Payments  
Bank

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## Key Financial Metrics (FY 2023-24)



**Total Revenue**  
₹18,538.8 million



**Net Profit**  
₹16,045.5M



**Total Asset**  
₹1,448,629.9 million



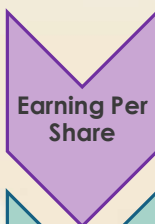
**Return on Equity (ROE)**  
1.27 %



**Debt Status**  
Almost Debt Free

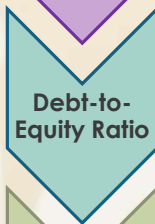


**Return on Assets (ROA)**  
1.24 %



Earning Per Share

Rs. 2.53



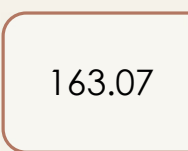
Debt-to-Equity Ratio

0.00



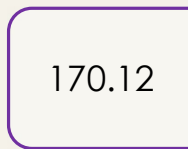
Price-to-Earnings Ratio

87.35



163.07

Quick Ratio



170.12

Current Ratio



0.01

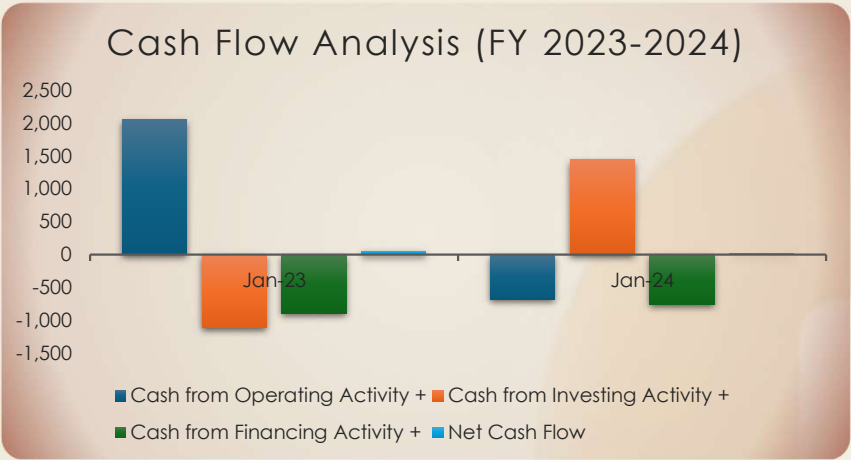
Asset Turnover Ratio

## Revenue & Profit Growth

**Revenue Surge:** 4,353.23% increase (from ₹416.3 million in FY 2022-2023 to ₹18,538.8 million in FY 2023-2024).

**Net Profit Growth:** 5,034.56% increase (from ₹312.5 million to ₹16,045.5 million).

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### Cash Flow Breakdown (FY 2023-2024)

**Operating Activities:** Cash outflow of ₹6,775.7 million.

**Investing Activities:** Positive cash flow of ₹14,412.2 million, indicating strategic investments.

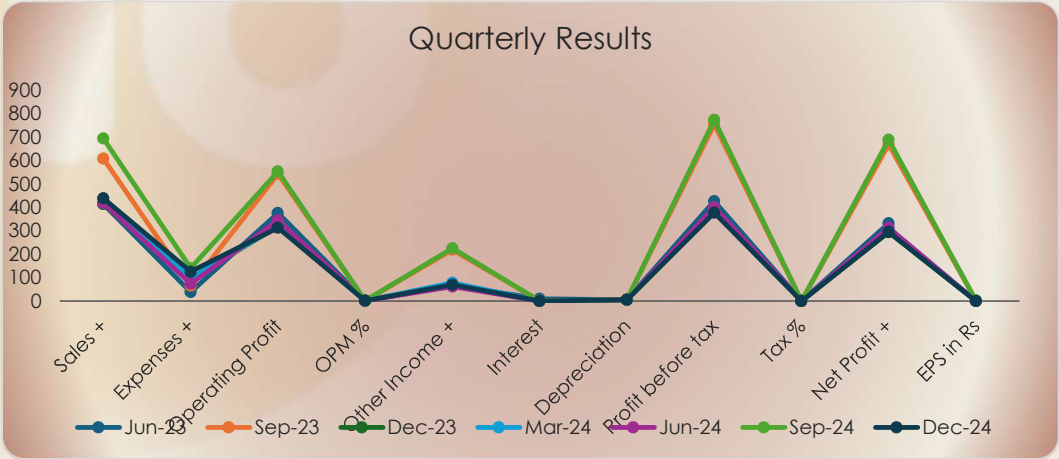
**Financing Activities:** Cash outflow of ₹102.7 million, reflecting prudent financial management.





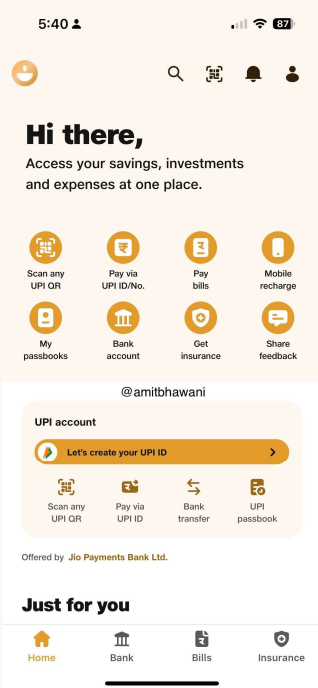
#### Intrinsic Value per Share

Rs. 178.17

#### Current Market Price

Rs. 222.45



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<div>Digital Financial Services</div> <div>Launched in May 2024, JioFinance app offers</div> <div><div><p>Loans</p></div><div><p>Savings Account</p></div><div><p>Digital Insurance</p></div><div><p>UPI Bill Payment</p></div></div> <div></div>			<div>Expansion into Equipment Leasing</div> <div>Established Jio Leasing Services Ltd in 2024.</div> <div>Major Deal: Signed a ₹36,000 crore leasing agreement with Reliance Retail for leasing routers and other equipment.</div>		<div>WACC</div> <div>12.78%</div> <div>This suggests that for any new project or investment, JFSL should aim for a return exceeding this rate to ensure value creation</div>
			<div>Credit Rating</div> <div>JFSL's subsidiary Jio Finance Limited (JFL) holds a top-tier <b>CRISIL AAA/Stable</b>, rating, signifying a strong ability to meet financial obligations.</div>	<div>CAGR</div> <div>85.7% between FY2021 and FY2024</div>	
			<div>Altman Z-Score</div> <div>JFSL's high Altman Z-score of <b>13.89</b> suggests strong financial stability, indicating a very low profitability of financial distress.</div>	<div>YoY Growth Rate</div> <div>4353.2% (FY2023-24)</div>	

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## Investment Rationale

**Market Potential:** India's financial services sector is poised for growth, offering significant opportunities for well-positioned companies like JFSL.

**Robust Financial Growth:** Impressive increases in revenue and net profit demonstrate JFSL's strong financial health.

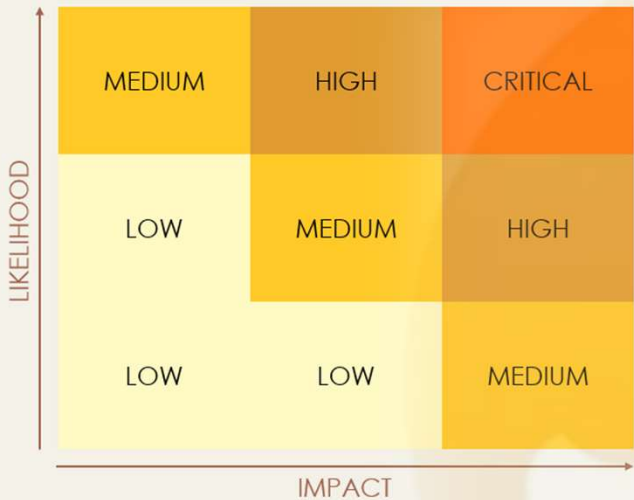
**Strategic Alliances:** Partnerships with global entities like BlackRock position JFSL favorably in the competitive financial services market.

Jio Financial Services Limited (JFSL) has a game-changing competitive edge with Reliance's ecosystem, leveraging 450+ million Jio users for seamless financial integration. Unlike traditional NBFCs, JFSL is tech-first, using AI and big data for fintech-driven lending, giving it a cost and scale advantage over competitors like Bajaj Finance.

Metric	Jio Financial Services (JFSL)	Bajaj Finance (BFL)
Market Capitalization	₹1.34 lakh crore	₹4.3 lakh crore
Net worth	₹1,39,148	Lower than JFSL
Debt	Close to 0	Higher than JFSL
Q4 FY24 Net Profit	₹310.6 crore	₹3,825 crore
P/E Ratio	141.2	29.8
P/B Ratio	1.2	6.1
Promoter Holding	47.1%	54.7%
Credit Rating	CRISIL AAA/stable	Strong
Business Focus	Digital Financial Services	Traditional lending
Growth Potential	High, fintech-driven	Mature, limited upside

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### Risk Matrix



**Operational Risks:** Challenges associated with rapid expansion and integration of new services.

**Market Competition:** The financial services industry is highly competitive, with numerous established players.

**Regulatory Environment:** Changes in financial regulations could impact operations.

### Conclusion



JFSL's strong financial performance, strategic partnerships, and expansion into diverse financial services underscore its potential for sustained growth.

### Recommendation

Considering its trajectory and market positioning, investing in JFSL presents a promising opportunity for stakeholders looking to capitalize on India's evolving financial landscape.