



June 30, 2024

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400 001

**National Stock Exchange of India Limited**  
Exchange Plaza,  
Plot No. C/1, G Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai 400 051

**Scrip Code:** 543940

**Trading Symbol:** JIOFIN

Dear Sirs,

**Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Intimation of Credit Ratings assigned by CARE Ratings Limited to Jio Finance Limited**

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We have received intimation from Jio Finance Limited, wholly owned subsidiary of the Company that 'CARE Ratings Limited' has assigned the following rating to their instruments.

| <b>Name of Instrument</b>                       | <b>Rating assigned with outlook</b> |
|---|-------------------------------------|
| Proposed Long Term / Short Term Bank Facilities | CARE AAA; Stable / CARE A1+         |
| Commercial paper                                | CARE A1+                            |
| Non- Convertible Debentures                     | CARE AAA; Stable                    |

Rating rationale received from CARE Ratings Limited is attached.

The intimation was received by us on June 29, 2024 at 9.30 p.m.

Thanking you,

Yours faithfully,  
**For Jio Financial Services Limited**

**Mohana V**  
**Group Company Secretary and**  
**Compliance Officer**

**Encl: a/a**

## Jio Finance Limited

June 29, 2024

| Facilities/Instruments                 | Amount (₹ crore) | Rating <sup>1</sup>         | Rating Action |
|--|------------------|-----------------------------|---------------|
| Long Term / Short Term Bank Facilities | 4,000.00         | CARE AAA; Stable / CARE A1+ | Assigned      |
| Non-Convertible Debentures             | 3,000.00         | CARE AAA; Stable            | Assigned      |
| Commercial Paper                       | 3,000.00         | CARE A1+                    | Assigned      |

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Jio Finance Limited (JFL) is a wholly owned subsidiary of Jio Financial services Limited (JFSL) which got demerged from Reliance Industries Limited (RIL; rated 'CARE AAA; Stable and CARE A1+') in Q2FY24 and now acts as a holding company of various financial services businesses of the group. JFSL, through its subsidiaries, associates, and joint ventures, plans to engage in lending, leasing, insurance broking, payment banking, payment solutions, asset management, and stock broking businesses. Mr. Mukesh D. Ambani is the promoter of JFSL. The Promoter Group has raised the stake in JFSL post listing from 45.8% to 47.12% showing long term commitment of promoter towards JFSL group. Promoter Group is not expected to materially dilute its stake in JFSL in the near term.

The ratings assigned to the proposed bank facilities and instruments of Jio Finance Limited (JFL) primarily factors in its linkages and strong capitalisation of JFSL group.

The ratings further take into consideration the strong capital buffers available with the company to scale up the operations, robust liquidity framework and the experience of management team.

However, these rating strengths are partially offset by the nascent stage of company's operations as it has started its operations in FY24 and is yet to launch and stabilise its product offerings. Being an NBFC, JFL would be a capital-intensive subsidiary of the group and hence JFSL's continued support to JFL will be a key monitorable.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors : Not Applicable

#### Negative factors :

- Material dilution in shareholding by promoter group of JFSL.
- Inability to maintain cushion over regulatory capital requirement.
- Material deterioration in asset quality of JFL on sustained basis.

### Analytical approach: Standalone

JFL has been assessed on the basis of its standalone credit profile and factoring the linkages with the JFSL. The rating also factors in strong parent support of JFSL along with shared brand name as well as managerial and operational linkages. CARE Ratings also draw comfort from demonstrated track record of JFSL's promoter in establishing the businesses.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Outlook: Stable**

CARE Ratings believes that JFL will continue to demonstrate a stable business profile with the expectation of need-based timely support from JFSL given the strategic importance, the shared brand name and the management control.

**Detailed description of the key rating drivers:****Key strengths****Strong parentage and vast experience of JFSL.**

Mr. Mukesh D. Ambani is the promoter of JFSL (JFSL along with its subsidiaries, associate and JVs). The Promoter Group holds 47.12% stake in JFSL. JFSL is acting as a holding company for entities operating in financial services domain and is a strategically important business segment for promoters. The Promoter Group has increased their stake from 45.8% to 47.12%, post listing which shows long term commitment towards the JFSL group. The promoter has a strong track record of establishing the new businesses like Reliance Retail Ventures Limited (rated 'CARE AAA; Stable and CARE A1+') and Reliance Jio Infocomm Ltd. (rated 'CARE AAA; Stable and CARE A1+').

JFSL group's usage of brand name "JIO" provides added comfort due to its deep-rooted recognition as a consumer centric brand in the country. Further, JFSL group companies are expected to leverage the established ecosystem of various businesses of promoter in scaling the operations in cost effective manner. JFSL is expected to operate in various segments and will holistically address customer needs across lending and leasing, investment, insurance, payments banking, and payment solutions products.

JFL, a lending arm of the group is focusing on building secured retail and MSME book is expected to get benefited from strong oversight, brand recall of Jio and the promoter ecosystem in near to medium term.

**Robust capitalisation profile.**

Considering the current level of operation, JFL has comfortable capitalisation with a standalone net worth Rs. 3,830 crores with no borrowings as on March 31, 2024. Further, JFSL on the same date, reported a consolidated net worth of Rs. 1,39,148 crores. The consolidated net worth includes 6.1% investment stake in Reliance Industries Limited (RIL; rated 'CARE AAA; Stable and CARE A1+') through its subsidiary, which was valued at Rs. ~1,22,700 crores (As of March 31, 2024). The standalone net worth of JFSL on March 31, 2024, was Rs. 24,437 crores.

Strong promoter profile, the capitalisation level and robust liquidity profile are expected to help the group entities including JFL in securing the funding from various channel at competitive rates. This in turn is expected to help JFL in diversifying the lender base as well as enhancing the profitability level.

CARE Ratings expects JFSL to support JFL as and when required by infusing the capital as well as by providing managerial and operational support.

**Seasoned board and management team.**

JFSL and JFL have established and seasoned board and management teams. The board of JFSL comprises 8 members, with 5 being independent directors, all possessing extensive experience in the BFSI sector. Over the past year, JFSL has built a experienced management team, while JFL has similarly strengthened its senior and middle management teams during FY24.

JFL benefits from a proficient management team with extensive experience in directing operations and expanding into new markets, especially in retail financing. The management's ability to foster business growth and capitalize on opportunities within the JFSL group's ecosystem is further supported by the expertise of the boards of directors of JFL and JFSL. Both boards actively

engage in strategic decisions across subsidiaries to ensure cohesive synergy. Furthermore, the product and functional heads of JFL possess significant experience in their respective domains.

## Key weaknesses

### Nascent stage of operations.

JFSL post demerger started streamlining the businesses. Currently JFSL group has three established entities (Jio Payment Solutions Ltd, Jio Payments Bank and Jio Insurance Broking Ltd.) while Jio Finance and Jio Leasing are at nascent stage of operations.

Jio Finance Limited started its operations in FY24. As of March 2024, the AUM of JFL was Rs. 175 crores, majorly consisting of vendor financing which was launched in March 2024. JFL intends to expand its offerings by introducing Loans Against Mutual Funds, home loans, loans against property (LAP), roof top solar and enterprise device leasing solutions in FY25. Through both existing and new products, the company aims to develop a secured loan portfolio in the medium term. While the company has established policies and procedures, they remain relatively untested due to its nascent stage. The ability of JFL to scale its business operations, enhance profitability from its core operations, and uphold asset quality remains a crucial aspect to monitor.

### Liquidity: Strong

JFL has robust liquidity position of Rs. 3,669 crores against NIL borrowing, as on March 31, 2024. The liquidity included cash and cash equivalent of Rs. 747 crores and investments of Rs. 2,922 crores. JFL is further expected to benefit from the liquidity of JFSL group with consolidated liquidity in excess of Rs. 22,000 crores as on March 31, 2024.

## Applicable criteria

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Short Term Instruments](#)

[Non Banking Financial Companies](#)

[Factoring linkages Parent Sub JV group](#)

## About the company and industry

### About Jio Finance Limited (JFL)

Jio Finance Limited (JFL) is a non-deposit taking, systematically important non-banking financial company (NBFC), and a wholly owned subsidiary of Jio Financial Services Limited (JFSL). It started its operations in fiscal 2024 and has launched merchant/vendor financing (working capital financing). The entity plans to launch loans against Mutual Funds, home loans, loans against property (LAP), roof top solar and enterprise device leasing solutions. These products are expected to be launched in FY25. The focus in the medium term is to build a secured lending book.

### About Jio Financial Services Limited (JFSL)

In November 2022, Reliance Industries Limited (RIL, rated 'CARE AAA; Stable and CARE A1+') announced its intention to demerge its financial services business. The scheme of arrangement envisaged Jio Financial Services Limited, which was earlier called Reliance strategic investments limited (RSIL), to become the holding company of the entire financial services business. RSIL became Jio Financial Services Ltd on July 25, 2023, following which, a new certificate of incorporation was issued. As a part of this demerger, amongst other entities four licensed entities were demerged as subsidiaries of RSIL. JFSL got listed on the Indian exchanges on August 21, 2023, post the completion of scheme of arrangement.

JFSL has also submitted an application to the Reserve Bank of India for conversion to a core investment company (CIC) from an NBFC. JFSL, through its subsidiaries, will be involved in the business of retail lending, merchant lending, leasing, payments bank operations, payments solutions, insurance broking and JV with Blackrock for AMC and broking business.

### Industry classification

| Macro Economic Indicator | Sector             | Industry | Basic Industry                       |
|--------------------------|--------------------|----------|--------------------------------------|
| Financial Services       | Financial Services | Finance  | Non Banking Financial Company (NBFC) |

### Brief financials for Jio Finance Limited (JFL):

| Brief Financials (₹ crore)                                     | March 31, 2022 (A) | March 31, 2023 (A) | March 31, 2024 (A) |
|--|--------------------|--------------------|--------------------|
| Total income   | 37.5               | 18.3               | 267.2              |
| PAT  | 27.0               | 11.1               | 152.7              |
| Overall gearing (times)  | 0.0                | 0.0                | 0.0                |
| Total assets (net of deferred tax asset and intangible assets) | 3,666.5            | 3,680.2            | 3,853.1            |
| ROTA (%) #   | NA                 | 0.30%              | 4.05%              |
| RONW #   | NA                 | 0.30%              | 4.07%              |

A: Audited; NA: Not Available; Note: 'the above results are latest financial results available'.

#Based on the calculation of CARE Ratings.

ROTA: PAT/Avg. Total Assets

### Brief financials for Jio Financial Services Limited (JFSL) (Consolidated):

| Brief Financials (₹ crore) | March 31, 2023 (A) | March 31, 2024 (A) |
|----------------------------|--------------------|--------------------|
| Total Income               | 44.8               | 1,854.7            |
| PAT                        | 31.3               | 1,604.6            |
| Total assets               | 1,14,929.7         | 1,44,863.0         |
| Gearing (times)            | 0.01               | 0.00               |
| ROTA (%) #                 | NA                 | 1.24               |
| RONA (%) #                 | NA                 | 1.27               |

A: Audited; NA: Not Available; Note: 'the above results are latest financial results available'.

#Based on the calculation of CARE Ratings.

ROTA: PAT/Avg. Total Assets

### Status of non-cooperation with previous CRA: Not Applicable

### Any other information: Not Applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

| Name of the Instrument                                    | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|---|------|-------------------------------|-----------------|----------------------------|-----------------------------|---|
| Commercial Paper-Commercial Paper (Standalone) (Proposed) | -    | -                             | -               | -                          | 3,000.00                    | CARE A1+                                  |
| Debentures-Non-Convertible Debentures (Proposed)          | -    | -                             | -               | -                          | 3,000.00                    | CARE AAA; Stable                          |
| Fund-based/Non-fund-based-LT/ST (Proposed)                | -    | -                             | -               | -                          | 4,000.00                    | CARE AAA; Stable / CARE A1+               |

**Annexure-2: Rating history for the last three years**

| Sr. No. | Name of the Instrument/Bank Facilities         | Current Ratings |                              |                             | Rating History                              |   |   |   |
|---------|--|-----------------|------------------------------|-----------------------------|---|---|---|---|
|         |  | Type            | Amount Outstanding (₹ crore) | Rating                      | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 |
| 1       | Fund-based/Non-fund-based-LT/ST                | LT/ST           | 4,000.00                     | CARE AAA; Stable / CARE A1+ | -   | -   | -   | -   |
| 2       | Commercial Paper-Commercial Paper (Standalone) | ST              | 3,000.00                     | CARE A1+                    | -   | -   | -   | -   |
| 3       | Debentures-Non-Convertible Debentures          | LT              | 3,000.00                     | CARE AAA; Stable            | -   | -   | -   | -   |

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities**

Not Applicable

**Annexure-4: Complexity level of the various instruments rated**

| Sr. No. | Name of the Instrument                         | Complexity Level |
|---------|--|------------------|
| 1       | Commercial Paper-Commercial Paper (Standalone) | Simple           |
| 2       | Debentures-Non-Convertible Debentures          | Simple           |
| 3       | Fund-based/Non-fund-based-LT/ST                | Simple           |

## Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

### Contact us

| Media Contact   | Analytical Contacts  |
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### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

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