

**Jio Financial
Services Ltd.,
Techno Funda
Stock Outlook**



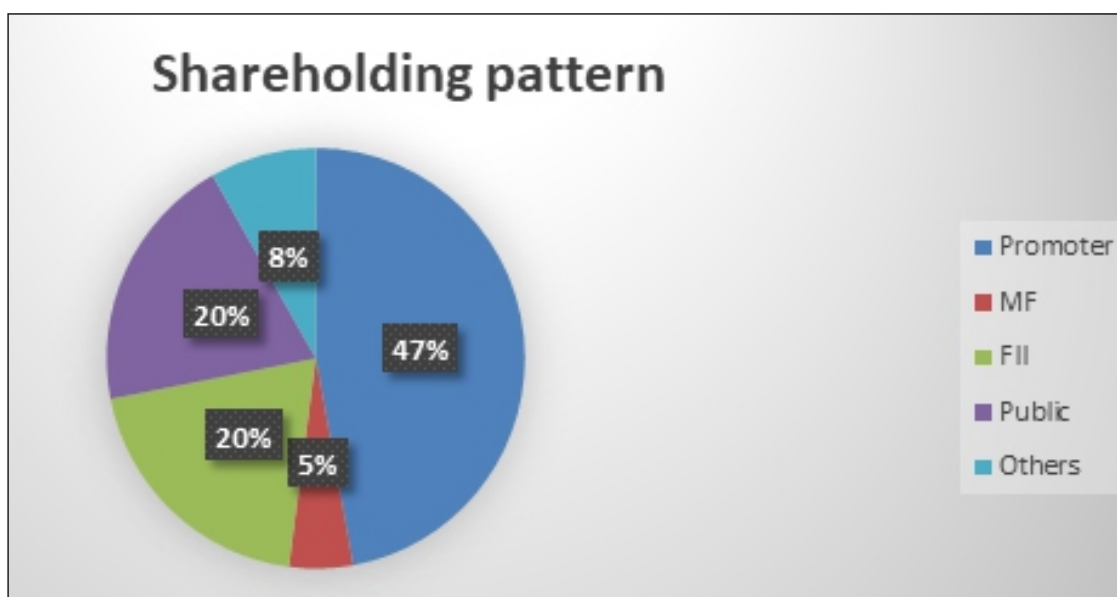
Indbank
Merchant Banking Services Ltd
(A Subsidiary of Indian Bank)

STOCK DETAILS	
NSE Scrip code	JIOFIN
BSE Scrip code	543940
Market cap (in Cr)	1,73,731
52-week High/Low (in Rs)	296 / 203
Current Price (in Rs)	270
Price Target (in Rs)	350

COMPANY OVERVIEW

Jio financial services Ltd (JFSL) is a non-deposit-taking Non-Banking Financial Company registered with the Reserve Bank of India. It is holding company and intends to operate its financial services business through its consumer-facing subsidiaries namely Jio Finance Limited (JFL), Jio Insurance Broking Limited (JIBL), and Jio Payment Solutions Limited (JPSP) and joint venture namely Jio Payments Bank Limited (JPBL).

SHAREHOLDING PATTERN

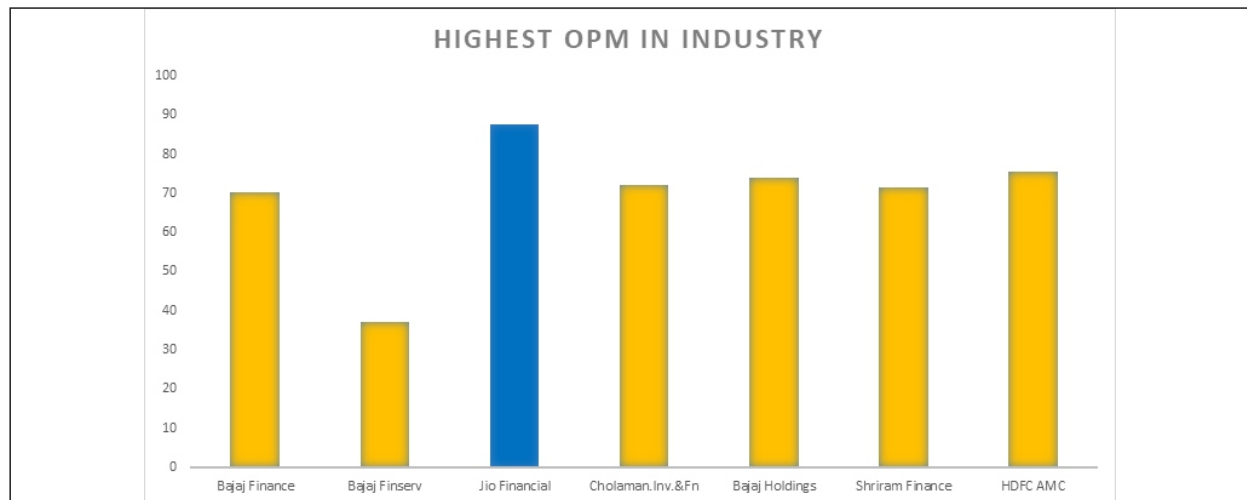


QUARTERLY HIGHLIGHTS

In the past quarter, the company has been working towards providing supply chain financing solution which creates an opportunity to create short-term self-liquidating exposure. The management expects to launch this new product in the upcoming quarters.

QUARTERS (In Rs. Cr) (Consolidated)

	Sep-23	Dec-23	Y-O-Y	Q-O-Q
Sales	608.04	413.61	-99.8%	-32.0%
Expenses	66.03	93.54	-100%	41.7%
Operating Profit	542.01	320.07	-100.5%	-40.9%
Other Income	217.82	66.83	-100%	-69.3%
Depreciation	5.40	5.41	#DIV/0!	0.2%
Interest	-	-	#DIV/0!	#DIV/0!
Profit before tax	754.43	381.49	-98%	-49.4%
Tax	86.25	87.67	-98%	1.6%
Net profit	668.18	294	-98%	-56.0%
OPM	89.1%	77.4%		



OUTLOOK

Being the 12th largest by HNI population, India is expected to drive the adoption of digital financial services. Over the next decade, digital economy will most likely be the primary driver for the Indian economy owing to its virtues of being able to generate cost efficiencies and productivity gains across sectors and industries.

Introduction of supply chain financing solutions to address the working capital needs of suppliers and entry into leasing are expected to be key growth levers for JFSL.

The company has devised an operating lease model with an aim to provide device-as-a-service for consumer devices across the country. This will be key in enabling deeper penetration, thereby widening the market.

CHALLENGES

The Reserve Bank of India has increased the risk weights for lending to NBFCs and certain lending categories by the NBFCs.

Investment rationale

- Well-known brand with experienced leadership.
- New entrant advantage on the technological front.
- Company along with BlackRock JV has applied for mutual fund licence. Business has potential to do well with wide customer base under its parent entity.
- Stock recently broke out of long-term consolidation range
- With a CMP/BV of 1.59, the company's stock trades at a much cheaper valuation than its peers
- The management believes its superior technological capabilities and customer experience will be crucial in creating a differentiator in the industry

TECHNICAL OUTLOOK



The stock recently broke out of a cup and handle pattern, which can take it to 330-350 levels in the medium term.

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