Jio Credit Limited

June 24, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term / Short Term Bank Facilities	7,000.00 (Enhanced from 4,000.00)	CARE AAA; Stable / CARE A1+	Reaffirmed
Non-convertible debentures	14,000.00	CARE AAA; Stable	Assigned
Non-convertible debentures	3,000.00	CARE AAA; Stable	Reaffirmed
Commercial Paper	6,000.00 (Enhanced from 3,000.00)	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to the bank facilities and instruments, along with the assignment of rating to the non-convertible debentures of Jio Credit Limited (JCL) primarily factors in its linkages and strong capitalisation of Jio Financial Services Limited (JSFL). JCL is a wholly owned subsidiary of JFSL, which was demerged from Reliance Industries Limited (RIL; rated 'CARE AAA; Stable and CARE A1+') in Q2FY24 and now acts as a holding company of the group's financial service businesses. Through its subsidiaries, associates, and joint ventures, JFSL is engaged in lending, leasing, insurance broking, payment banking, payment solutions, asset management, and stock broking businesses. 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% reflecting their long-term commitment. The promoter group is not expected to materially dilute its stake in JFSL in the near term.

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

Ratings also consider the nascent stage of the company's operations, as it started its operations in FY24 and is gradually scaling up its operations and expanding its product offerings. Being a non-banking financial company (NBFC), JCL would be the group's capital-intensive subsidiary, and hence, JFSL's continued support to JCL will remain a key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

Not applicable

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

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

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Analytical approach: Standalone

JCL has been assessed based on its standalone credit profile and factoring linkages with JFSL. Ratings also factor in strong parent support of JFSL, shared brand name and managerial and operational linkages. CARE Ratings Limited (CareEdge Ratings) also draws comfort from demonstrated track record of JFSL's promoters in establishing and supporting its businesses.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectation of timely and need-based support from JFSL to JCL given its strategic importance to the promoter group.

Detailed description of key rating drivers:

Key strengths

Strong parentage and vast experience of JFSL

Mukesh D. Ambani is the promoter of JFSL (JFSL, its subsidiaries, associate and joint ventures [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 the promoters. The promoter group increased its 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 new businesses including Reliance Retail Ventures Limited (rated 'CARE A1+') and Reliance Jio Infocomm Limited (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. JFSL group companies are expected to leverage the established ecosystem of businesses of the promoter in scaling operations in a cost-effective manner. JFSL is expected to operate across segments and will holistically address customer needs across lending and leasing, investment, insurance, payments banking, and payment solutions products.

JCL is a lending arm of the group and is focusing on building secured retail and corporate book. It is expected to benefit from strong governance framework, brand recall of Jio and the promoter ecosystem in the near-to-medium term.

Robust capitalisation profile

Considering the current level of operation, JCL has comfortable capitalisation with a standalone tangible net worth ₹4,929 crore with a total borrowing of ₹5,970 crore as on March 31, 2025. The Capital to Risk-Weighted Asset Ratio (CRAR) on the same date remained comfortable at 43.26% as on March 31, 2025. On the same date, JFSL reported a consolidated tangible net worth of ₹1,23,330 crore.

Strong promoter profile, healthy capitalisation level and robust liquidity profile of JFSL are expected to help group entities including JCL in securing funding across channels at competitive rates. This is expected to help JCL in diversifying the lender base and enhancing the profitability level. Additionally, JFSL through its subsidiaries and associates holds 6.10% stake in RIL.

CareEdge Ratings expects JFSL to support JCL, when required, by infusing the capital and by providing managerial and operational support.

Seasoned board and management team

JFSL and JCL have established and seasoned board and management teams. JFSL's board comprises eight members, with four independent directors, all possessing extensive experience in the BFSI sector. In the last one year, JFSL has built an experienced management team, while JCL has also strengthened its senior and middle management teams.

JCL benefits from a proficient management team with extensive experience in expanding into new markets, especially in retail financing. The management's ability to foster business growth and capitalise on opportunities within JFSL group's ecosystem is further supported by expertise of the boards of directors of JCL and JFSL. Both boards actively engage in strategic decisions across subsidiaries to ensure cohesive synergy. JCL's product and functional heads possess significant experience in their respective domains.

Key weaknesses

Nascent stage of operations

Currently, the JFSL group has three established entities (Jio Payment Solutions Limited, Jio Payments Bank and Jio Insurance Broking Limited) while JCL and Jio Leasing are at nascent stage of operations.

As on March 31, 2025, JCL's assets under management (AUM) was ₹10,093.78 crore across product segments including home loan, loan against property (LAP), loan against securities and vendor financing book. JCL has recently launched these products and would be adding products including roof top solar and enterprise device leasing solutions in FY25. Through existing and new products, the company aims to develop a secured loan portfolio in the medium term. The company has established policies and procedures, however the same remains relatively untested due to its nascent stage. JCL's ability to scale its business operations, enhance profitability from its core operations, and keep asset quality healthy would be a key monitorable.

Liquidity: Strong

As on March 31, 2025, JCL's asset liability maturity (ALM) profile had cumulative surplus across all time buckets. JCL as on March 31, 2025, reported a liquidity of ₹1,014 crore (including cash and bank balance and investments) against a scheduled debt repayment of ₹1,572 crore in the next three months. JCL is further expected to benefit from the JFSL group's liquidity and strong financial flexibility.

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Short Term Instruments
Non Banking Financial Companies

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Finance	Non Banking Financial Company (NBFC)

About Jio Credit Limited (JCL)

JCL is a non-deposit taking, systematically important NBFC, and a wholly owned subsidiary of JFSL. It started operations in FY24. The company has launched merchant/vendor financing through working capital financing including invoice financing, Term Loans Factoring etc and Retail Loans by way of Housing Loans, Loan against Properties and Loans against Securities. The focus in the medium term is to build a secured lending book.

About Jio Financial Services Limited (JFSL)

In November 2022, 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 JFSL on July 25, 2023, following which, a new certificate of incorporation was issued. As part of this demerger, among 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 received license to operate as core investment company (CIC) and through its subsidiaries, it is involved in retail lending, merchant lending, leasing, payments bank operations, payments solutions, insurance broking and JV with Blackrock for asset management company (AMC) and broking business.

Jio Credit Limited-Standalone:

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Total income	18.33	267.24	358.38
PAT	11.12	152.68	108.31
Gearing (times)	-	-	1.21
Total assets #	3,680.17	3,853.13	11,095.43
Net NPA (%)	0.00%	0.02%	0.00%
ROTA (%) *	0.30%	4.05%	1.45%

A: Audited; Note: these are latest available financial results
#Based on the calculation of CareEdge Ratings and is adjusted for deferred tax assets and intangibles.
*ROTA: PAT / Average total assets.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of 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 and Rating Outlook
Commercial Paper-Commercial Paper (Standalone)	INE282H07022	21-05-2025	6.59	21-08-2025	500.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone) (Proposed)	-	-	-	-	5,500.00	CARE A1+
Debentures-Non Convertible Debentures	INE282H07018	15-05-2025	7.19	15-03-2028	1,000.00	CARE AAA; Stable
Debentures-Non Convertible Debentures	INE282H07026	28-05-2025	7.08	26-05-2028	1,030.00	CARE AAA; Stable
Debentures-Non Convertible Debentures (Proposed)	-	-	-	-	970.00	CARE AAA; Stable
Debentures-Non Convertible Debentures (Proposed)	-	-	-	-	14,000.00	CARE AAA; Stable
Fund-based/Non-fund-based-LT/ST		-	-	Dec-2029	1,930.00	CARE AAA; Stable / CARE A1+
Fund-based/Non-fund-based-LT/ST (Proposed)		-	-	-	5,070.00	CARE AAA; Stable / CARE A1+

Annexure-2: Rating history for 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 2025-2026	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
1	Fund-based/Non-fund-based-LT/ST	LT/ST	7,000.00	CARE AAA; Stable / CARE A1+	-	1)CARE AAA; Stable / CARE A1+ (29-Jun-24)	-	-
2	Commercial Paper-Commercial Paper (Standalone)	ST	6,000.00	CARE A1+	-	1)CARE A1+ (29-Jun-24)	-	-
3	Debentures-Non Convertible Debentures	LT	3,000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (29-Jun-24)	-	-
4	Debentures-Non Convertible Debentures	LT	14,000.00	CARE AAA; Stable				

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

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

Not applicable

Annexure-4: Complexity level of 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 complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
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