PL Capital
PRABHUDAS LILLADHER

Reliance Industries (RELIANCE IN)

Rating: BUY | CMP: Rs1,423 | TP: Rs1,688

February 18, 2026

Company Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	**BUY**		**BUY**	
Target Price	**1,688**		**1,683**	
Sales (Rs. bn)	10,533	11,568	10,397	11,533
% Chng.	*1.3*	*0.3*		
EBITDA (Rs. bn)	1,911	2,056	1,904	2,055
% Chng.	*0.4*	*0.1*		
EPS (Rs.)	50.4	56.5	50.3	55.8
% Chng.	*0.1*	*1.2*		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	9,647	9,611	10,533	11,568
EBITDA (Rs. bn)	1,654	1,738	1,911	2,056
Margin (%)	*17.1*	*18.1*	*18.1*	*17.8*
PAT (Rs. bn)	696	618	682	765
EPS (Rs.)	51.5	45.6	50.4	56.5
Gr. (%)	*0.0*	*(11.3)*	*10.5*	*12.1*
DPS (Rs.)	5.5	7.1	5.2	5.2
Yield (%)	*0.4*	*0.5*	*0.4*	*0.4*
RoE (%)	*8.5*	*7.1*	*7.3*	*7.6*
RoCE (%)	*9.5*	*9.5*	*9.3*	*9.7*
EV/Sales (x)	2.3	2.3	2.1	1.8
EV/EBITDA (x)	13.2	12.6	11.4	10.4
PE (x)	27.6	31.2	28.2	25.2
P/BV (x)	2.3	2.1	2.0	1.9

Key Data	RELI.BO | RELIANCE IN
52-W High / Low	Rs.1,612 / Rs.1,115
Sensex / Nifty	83,451 / 25,725
Market Cap	Rs.19,257bn/ $ 2,12,368m
Shares Outstanding	13,532m
3M Avg. Daily Value	Rs.17470.94m

Shareholding Pattern (%)

Promoter's	50.33
Foreign	21.75
Domestic Institution	17.41
Public & Others	10.51
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(2.4)	3.6	16.2
Relative	(2.3)	-	5.8

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Poised for multi-engine growth

Quick Pointers:

- Diesel cracks remain resilient
- Global capacity rationalization to support petrochemical margins

Reliance Industries' (RELIANCE) O2C segment is expected to deliver steady performance, supported by healthy diesel cracks amid resilient transportation fuel demand. In the near term, petchem profitability is likely to remain under pressure, though long-term fundamentals should improve with global capacity rationalization. RJIL fcontinues to be a key value-unlocking lever, backed by improving operational performance and a strong growth outlook. Rising 5G and FWA subscriber additions, along with deep penetration across India, should further support earnings momentum. In the retail segment, in absence of a perfect peer, we compared RRVL with Titan and DMart. RRVL's revenue and EBITDA/sqft trail Titan and DMart due to its higher exposure to low-margin grocery formats; however, the outlook remains constructive, supported by potential mix improvement from higher margin jewelry and fashion categories. The stock is trading at consol EV/EBITDA of 11.1x/9.9x of FY27E/FY28E. In the absence of quantitative disclosures, we assign a value of Rs111/share to the New Energy segment, valuing it at 2x the earlier announced capex of Rs750bn. Maintain 'BUY' rating with TP of Rs1,688.

- **Energy business to improve:** Transportation fuel crack spreads are expected to remain healthy, supported by resilient domestic demand. Opportunistic sourcing of discounted crude including direct license to source Venezuelan barrels and ongoing global capacity rationalization in petrochemicals should support margins and improve profitability. Standalone EBITDA is expected to rise from Rs581bn in FY25 to Rs636bn in FY28E, implying a CAGR of 3.1%.

- **Growth momentum continues in RJIL:** Reliance Jio Infocomm Ltd (RJIL) is expected to maintain market leadership, supported by its dense and extensive 5G network across urban and rural India. We model subscribers at 538mn and ARPU at Rs243 by FY28E, implying CAGR of 3.3% and 7.4%, respectively, over FY25–FY28E. Revenue is expected to exceed Rs1,500bn with EBITDA of Rs896bn in FY28E, driven by an improving subscriber mix and migration to higher value plans.

- **RRVL EBITDA margin trajectory to remain steady:** Reliance Retail Ventures Ltd (RRVL) operates the largest store network by count and total retail area in India. However, the pace of store addition remains slow as against its competitors such as DMart and Titan. Lower revenue and EBITDA/sqft reflect higher exposure to low-margin, mass-market grocery and value formats. We expect EBITDA margin to remain steady, at 8.0-8.2% by FY28. EBITDA CAGR is expected at 10.9% over FY25-28E supported by enhanced store count, with jewelry and fashion offering incremental profitability over time.

- **New Energy projects remain on track:** RELIANCE, through Reliance New Energy Ltd (RNEL), is developing an integrated new energy platform comprising 10GW solar manufacturing (scalable to 20GW) and a battery value chain from cells to ESS, with battery capacity of 40GWh expandable to 100GWh. The solar PV giga-factory is progressing as planned, with module and cell lines commissioned and ingot/wafer pilot operational, while polysilicon and solar glass units are targeted for commissioning within a year

Exhibit 1: Valuation Table

Sum of the parts	Rs/share	Remarks/Methodology
Standalone Business (O2C and E&P)	349	7.5x Dec'27 EV/EBITDA
Reliance Retail equity valuation	721	38x Dec'27 EV/EBITDA
RJIL equity valuation	608	15x Dec'27 EV/EBITDA
New Energy	111	2x earlier announced investment of Rs750bn
Total	**1,789**	
Net debt / (cash)	101	Standalone – Dec'27E
Target price	**1,688**	

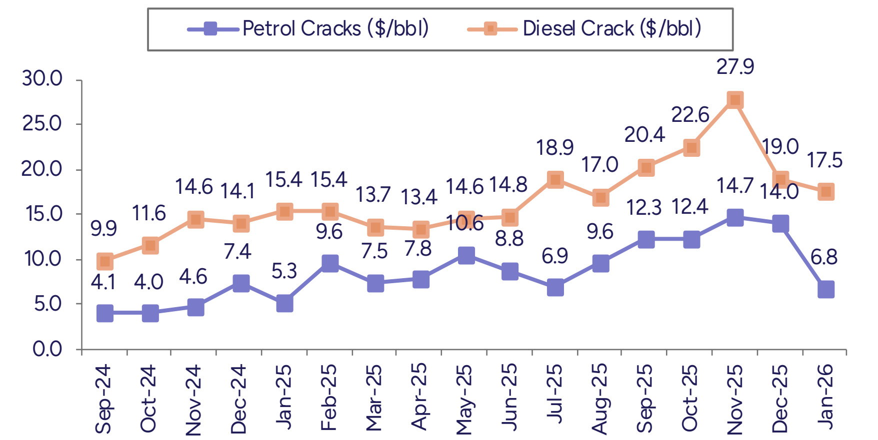
Source: Company, PL

O2C – Oil to Chemicals

Refining and Marketing

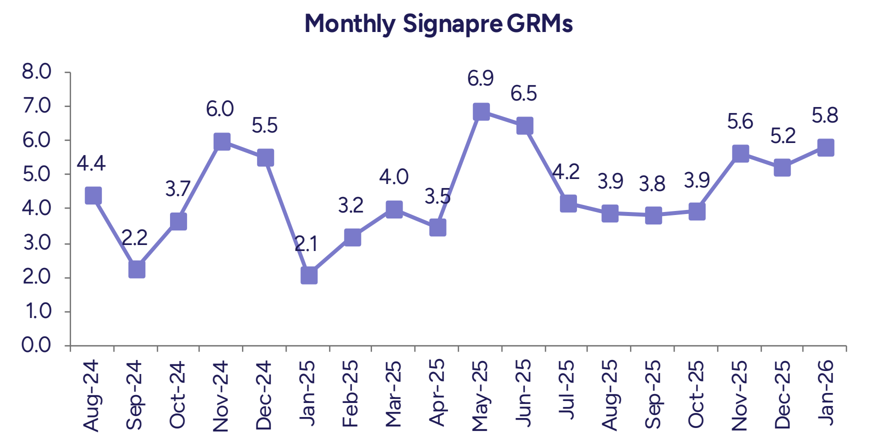
After strong growth in transportation fuel crack spreads in Q3FY26, driven by planned and unplanned outages, momentum is expected to continue into Q4FY26. Key factors supporting this include ongoing drone attacks on Russian refineries, European sanctions on Russian products limiting product flows and weather-related disruptions in the US. Upcoming maintenance season is likely to keep diesel cracks at elevated levels. Maintenance in the US is expected to be on a smaller scale than historical trend. However, in Europe, maintenance is running on a larger scale than that was expected in Feb'26 and is likely to increase further in Mar'26. The Middle East and Asia are expected to see minor maintenance activities in Q4FY26.

Exhibit 2: Diesel cracks remain healthy.



Source: Company, PL

Exhibit 3: Monthly S-GRM's



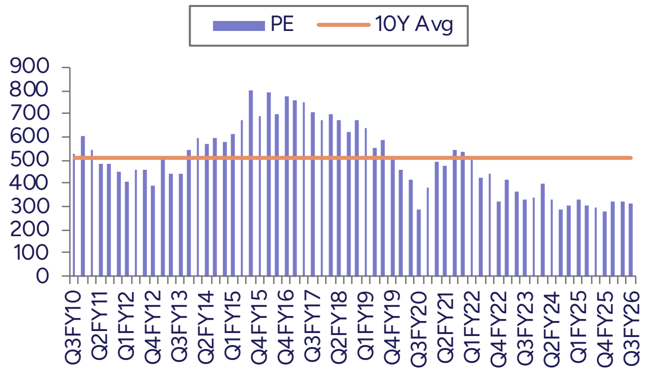
Source: Company, PL

Petrol cracks have seen a downward trajectory since Q3FY26, while diesel cracks have maintained their momentum through Jan'26. However, with winter subsiding in the US, we expect gasoline spreads to pick up along with demand.

In India, strong domestic demand for transportation fuels is expected to sustain high refinery utilization, containing downside risks to margins. Opportunistic sourcing of discounted crude, including potential Venezuelan barrels, could provide incremental upside to GRMs. Higher refinery throughput and stable operations are expected to support increased production for sale, bolstering earnings performance.

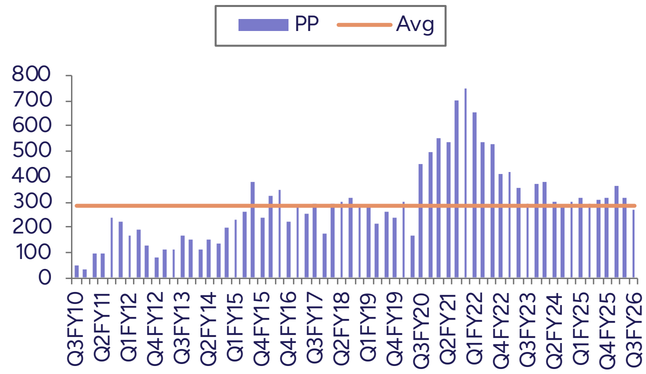
Petrochemicals

Exhibit 4: PE spreads vs Avg - (USD/mt)



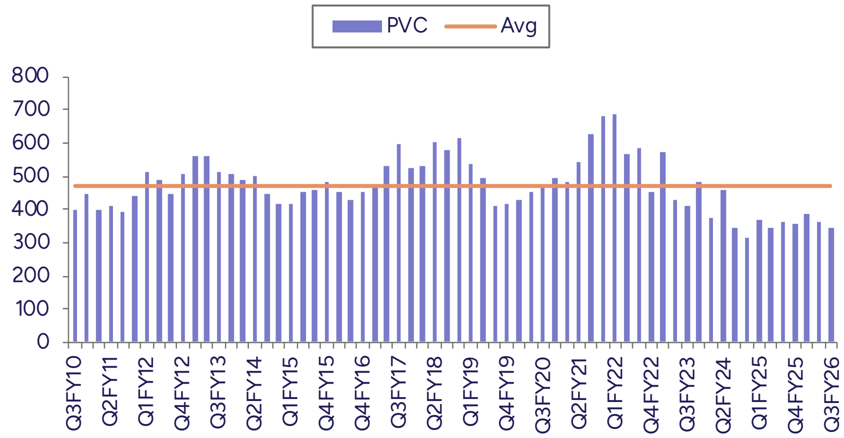
Source: Company, PL

Exhibit 5: PP spreads vs Avg – (USD/mt)



Source: Company, PL

Exhibit 6: PVC spreads vs Avg - (USD/mt)

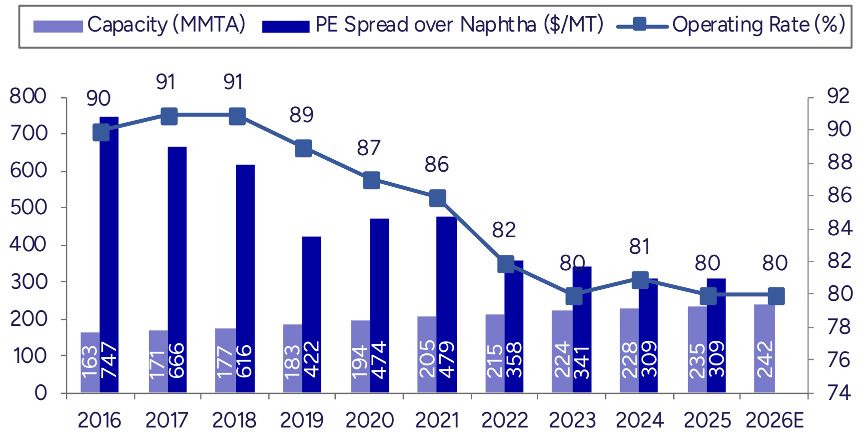


Source: Company, PL

Petchem earnings momentum has weakened due to sustained pressure on spreads, as significant global capacity additions, primarily in China, have created a supply–demand imbalance, weighing on margins. PE margins during FY16–19 remained above average (Q1FY10 to Q3FY26) but trended below average thereafter. PP margins stayed above the period average during FY20–23 and is currently trending near average, while PVC margins have remained above the average more frequently relative to other products. Overall, margins have moderated as capacity additions continue to outpace demand growth.

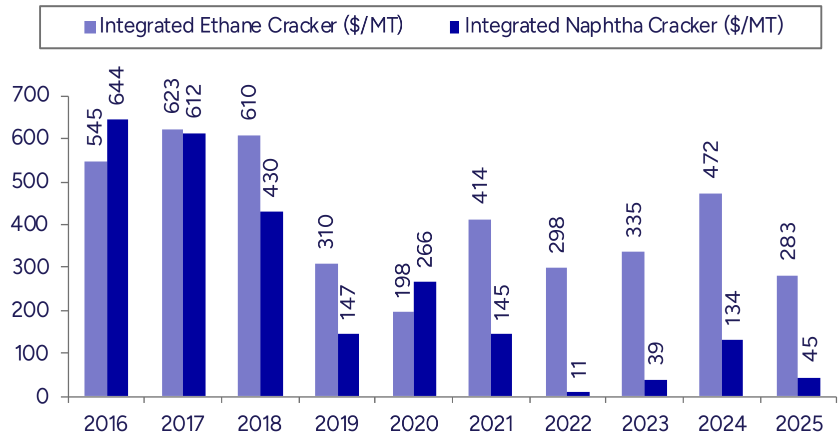
Over the past decade, global ethylene capacity has expanded sharply by ~50%, rising from ~163mtpa to 230–240mtpa, significantly outpacing demand growth of 3–4% CAGR. This supply overhang has pushed global operating rates down from 90–91% to ~80% over the past 4 years, well below the ~85% threshold required for healthy industry economics.

Exhibit 7: Cracker operating rates vs PE margin



Source: Company, PL

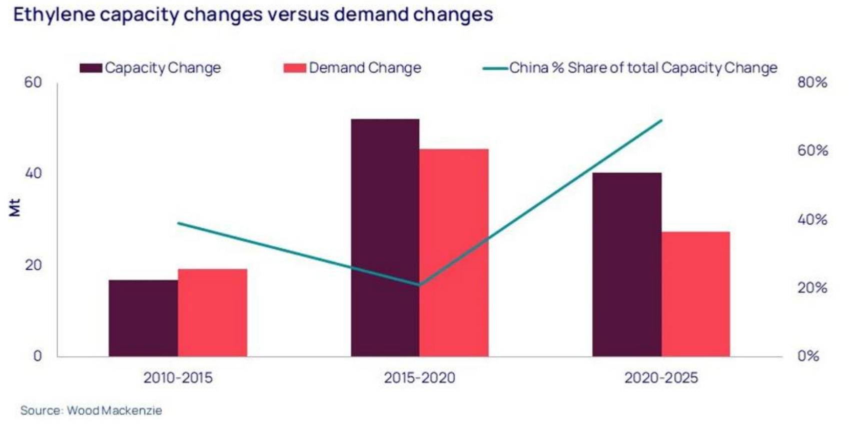
Exhibit 8: Cracker feedstock margin trend



Source: Company, PL

As a result, high-cost naphtha-based ethylene crackers have faced sustained margin pressure, evident in the sharp contraction in PE–naphtha spreads. As per Wood Mackenzie, global ethylene capacity has expanded by more than 40mmt between 2020 and 2025, with ~70% of this new capacity built in China, vs. demand growth of ~27mmt. As a result, the average global ethylene plant utilization rate currently stands at ~80%.

Exhibit 9: Ethylene capacity vs demand change

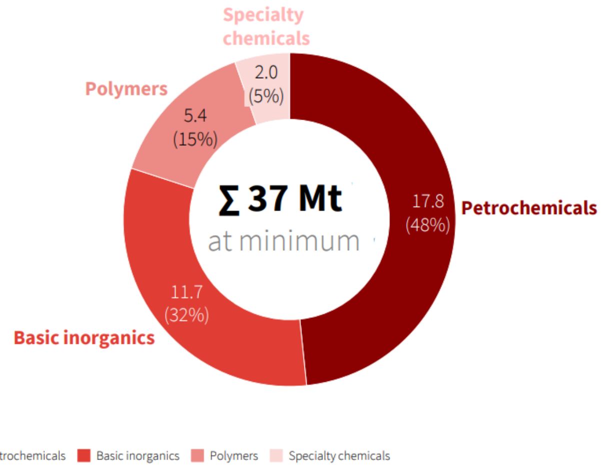


Source: Wood Mackenzie, PL

Ongoing capacity restructuring: The European petrochemical industry has announced 17.8mmt of capacity closures, accounting for 48% of the total chemical capacity restructuring plan, with the impact concentrated primarily in upstream petrochemicals. Within this, nearly 50% of announced closures relate to 9 steam crackers, implying a 16% net reduction in European steam-cracking capacity. Overall, petrochemical production capacity is expected to decline by ~14%, making it the most impacted segment.

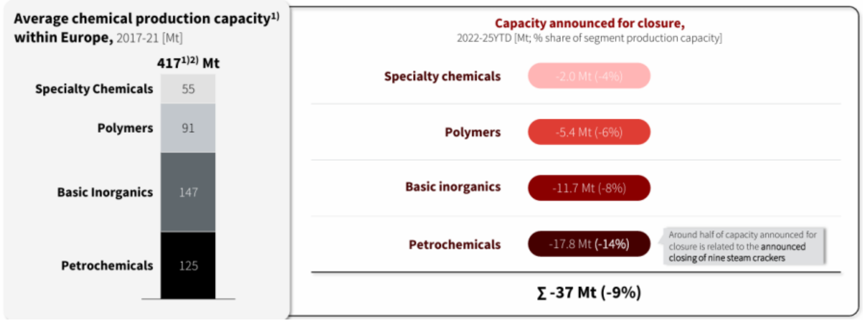
On the investment side, 3.8mmt of new petrochemicals investments have been announced in Europe during 2022–25. However, these additions will only partially offset announced closures, resulting in a net upstream petrochemical capacity imbalance of ~14.0mmt.

Exhibit 10: European capacity closures by segment, 2022-25YTD



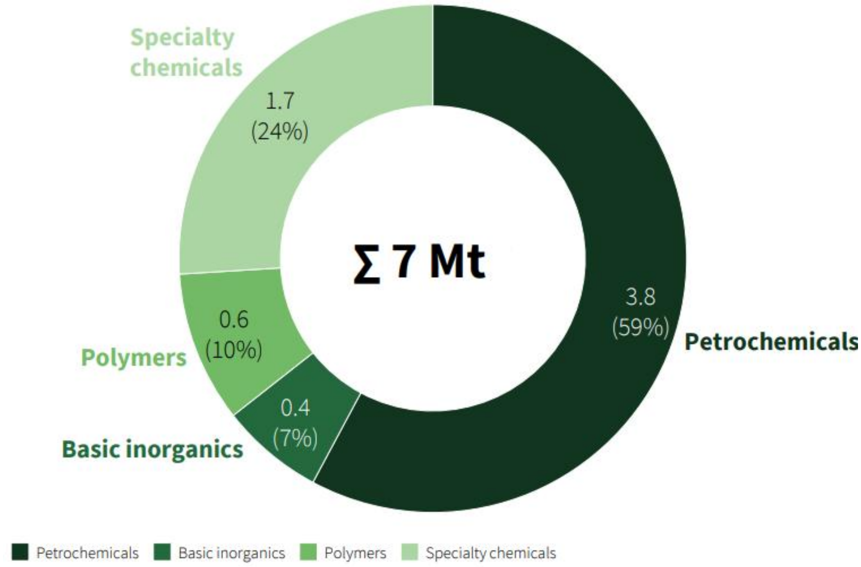
Source: Cefic, PL

Exhibit 11: Petchem production capacity and announced closures



Source: Cefic, PL

Exhibit 12: Announced investments in Europe



Source: Cefic, PL

South Korea: As per sources, major producers in South Korea have agreed to collectively reduce 2.7–3.7mmtpa of naphtha-cracking capacity, which could result in the shutdown of up to ~25% of national capacity, based on an estimated total installed capacity of 14.7mmtpa. These include leading petrochemical companies like LG Chem, the country's largest producer of ethylene and propylene, along with GS Caltex, Lotte Chemical, Hanwha TotalEnergies, S-Oil, and HD Hyundai Chemical. The Korean government is supporting the restructuring through regulatory easing, financial assistance, and tax incentives for companies that demonstrate credible self-rescue and efficiency-improvement efforts.

In addition, the ongoing announcements around capacity rationalization across Asia, including Exxon's plans to shut a large cracker in Singapore and China's recently announced anti-involution policy, are likely to impact industry fundamentals and provide some support to petchem margins.

Exhibit 13: Standalone income statement (Rs bn)

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	**5,345**	**5,173**	**4,852**	**5,236**	**5,891**
Change (%)	*-0.9*	*-3.2*	*-6.2*	*7.9*	*12.5*
EBITDA	**743**	**581**	**574**	**612**	**636**
Margin (%)	*13.9*	*11.2*	*11.8*	*11.7*	*10.8*
Depreciation	177	180	175	218	243
EBIT	**566**	**401**	**398**	**394**	**393**
Int. and Finance Charges	134	101	70	80	84
Other Income	121	161	239	128	170
PBT bef. EO Exp.	**553**	**461**	**567**	**442**	**480**
EO Items			0	0	0
PBT after EO Exp.	**553**	**461**	**567**	**442**	**480**
Total Tax	132	109	110	111	121
Tax Rate (%)	*23.9*	*23.6*	*19.4*	*25.2*	*25.2*
Reported PAT	**420**	**353**	**457**	**331**	**359**
Adjusted PAT	**420**	**353**	**368**	**331**	**359**
Margin (%)	*7.9*	*6.8*	***4,852***	***5,236***	***5,891***

Source: Company, PL

Standalone EBITDA is expected to rise from Rs581bn in FY25 to Rs636bn in FY28E, implying a CAGR of 3.1%, driven by steady transportation fuel cracks and improving petchem margins as capacity rationalizations gain momentum. PAT is expected to remain subdued over FY25–FY28E, with limited growth from Rs353bn to Rs359bn, constrained by higher depreciation and interest expenses. We value the standalone business at 7.5x Dec'27E EV/EBITDA, arriving at TP of Rs349.

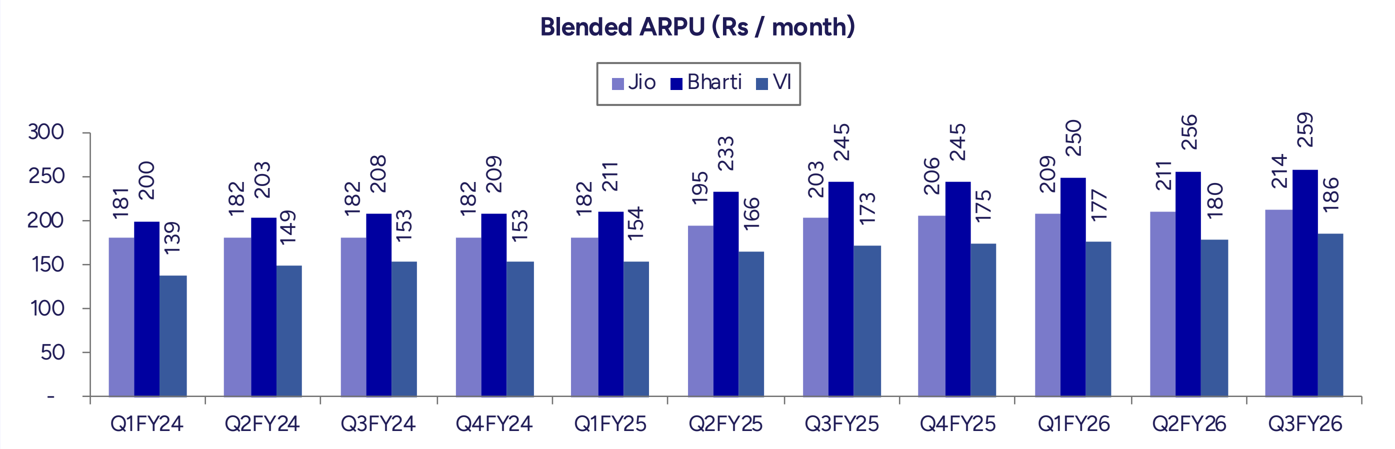
Digital Services

Industry ARPU saw a sharp uptick of 8.6% QoQ due to the tariff hike in Q2FY25, with Jio, Airtel and Vi raising tariffs by 7.4%, 10.6% and 7.8%, respectively, ARPU has continued to trend upward since then, supported by subscriber migration to higher value plans, aided by higher data consumption and premiumization following 5G rollout.

As the industry moves into a phase of higher 5G usage, ARPU is expected to remain on an upward trajectory. Incremental upside could be driven by improvements in service quality and the expansion of bundled offerings. Some of the examples include RJIL - JioHotstar and Google Gemini Pro, and Airtel's partnership with Adobe, which offers Adobe Express at no additional cost to subscribers.

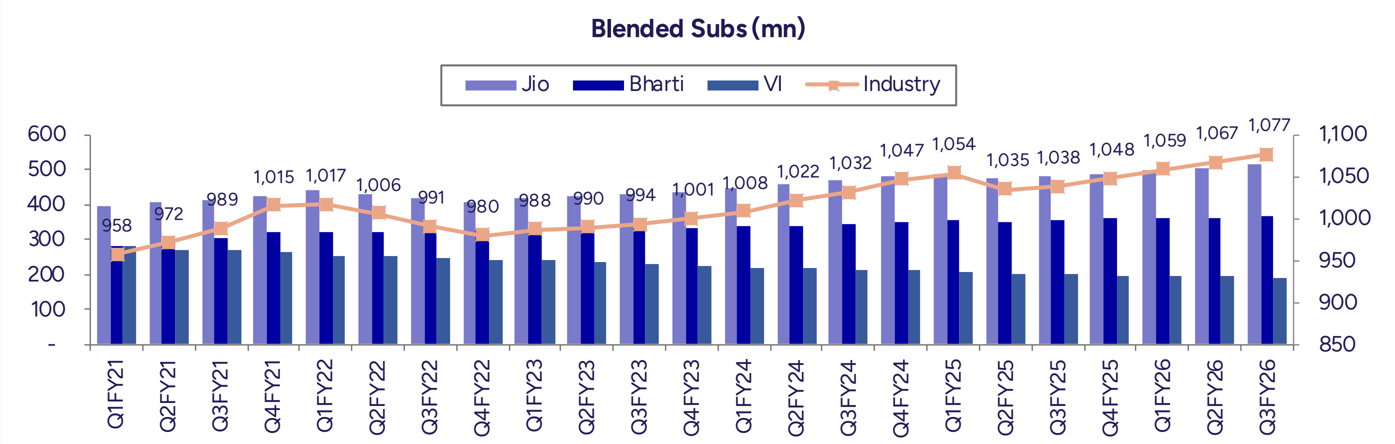
Operators are also increasingly embedding AI-led services into their offerings, marking a structural shift in the sector from pure connectivity toward technology-enabled, service-led business models.

Exhibit 14: Blended ARPU trend



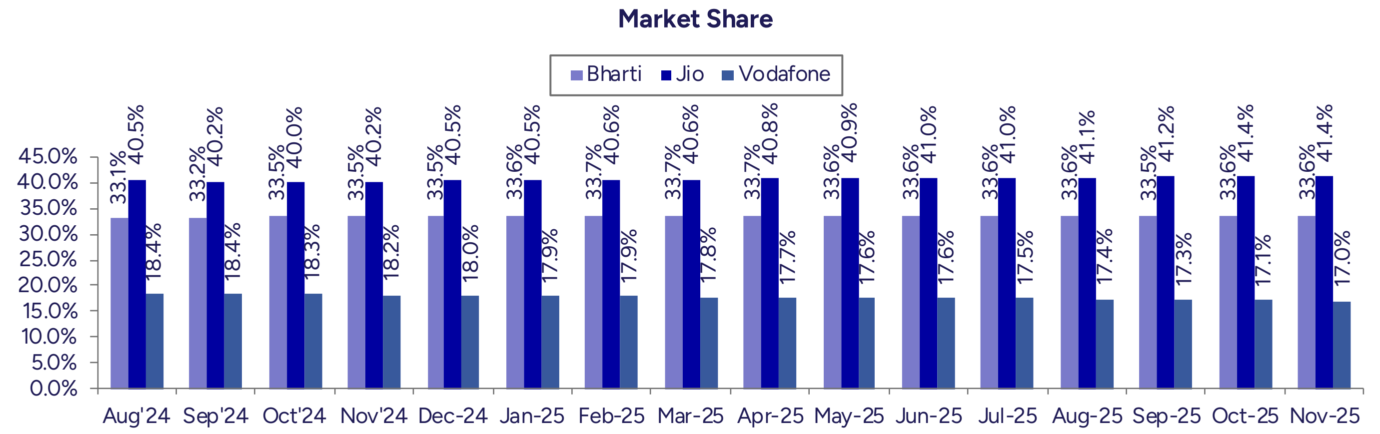
Source: Company, PL

Exhibit 15: Blended subs trend



Source: Company, PL

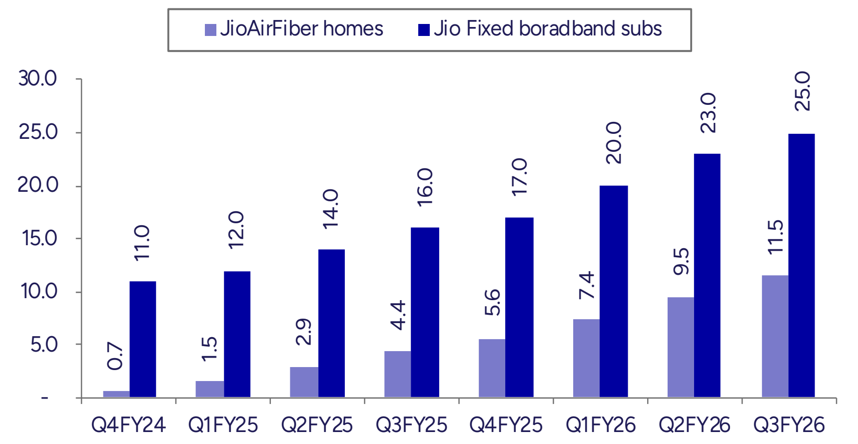
Exhibit 16: India mobile wireless market share



Source: TRAI, PL. Note – Dec'25 data reflects methodology alignment for Bharti and is not fully comparable

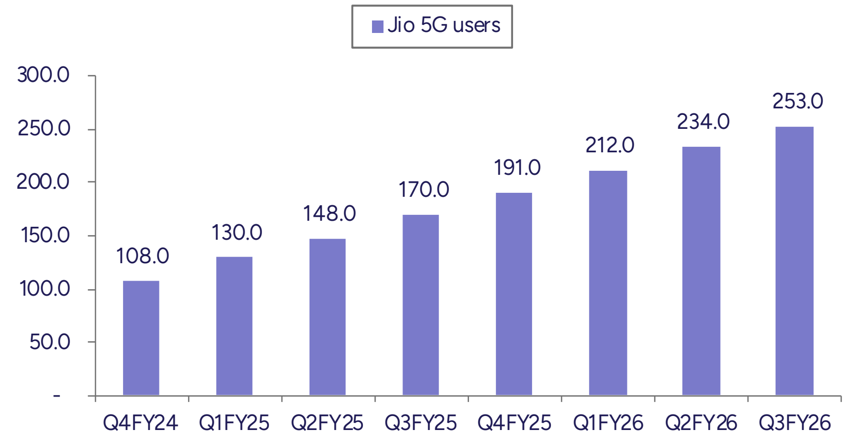
Expanding market share: RJIL continues to lead the Indian mobile market, supported by its wide network coverage and fast rollout of 5G network across key regions, in both urban and rural. The company's focus on expanding coverage and strengthening spectrum & network quality has helped drive subscriber additions and maintain market share. Better network quality and higher capacity also supported increased data usage. We expect RJIL to continue to maintain its market leadership, supported by a denser and broader 5G network compared to Bharti Airtel. While Airtel often delivers higher peak 5G speeds, Jio leads in 5G availability and overall coverage, resulting in a wide coverage across both urban and rural areas. Although, as per the latest update from TRAI shows the market share gap narrowing.

Exhibit 17: JioAirFiber and fixed broadband subs (Mn)



Source: Company, PL

Exhibit 18: Jio 5G users trend (Mn)



Source: Company, PL

Rapid 5G adoption/no. of 5G subs: 5G subscriber base in India has scaled rapidly since the commercial rollout in Oct'22. By end-Dec'25, total 5G users in the country had crossed ~400mn. Reliance Jio has emerged as the clear leader, with an estimated ~253mn 5G subscribers, while Bharti Airtel's 5G base has also expanded to ~181mn users. Overall, the sharp increase in 5G users highlights strong demand for next-generation services and an accelerated migration from 4G among the major private operators.

5G towers and spectrum GHz data: Jio 5G in the 3.3GHz band is available in every telecom circle. Jio has deployed 3 different bands for providing 5G services in India - 700MHz, 3300MHz, and 26GHz band. As per Opensignal, Jio's 5G availability is the highest in India. As per Ericsson Mobility Report, 5G subscriptions in India are expected to reach around 970mn by the end of 2030, accounting for 74% of mobile subscriptions.

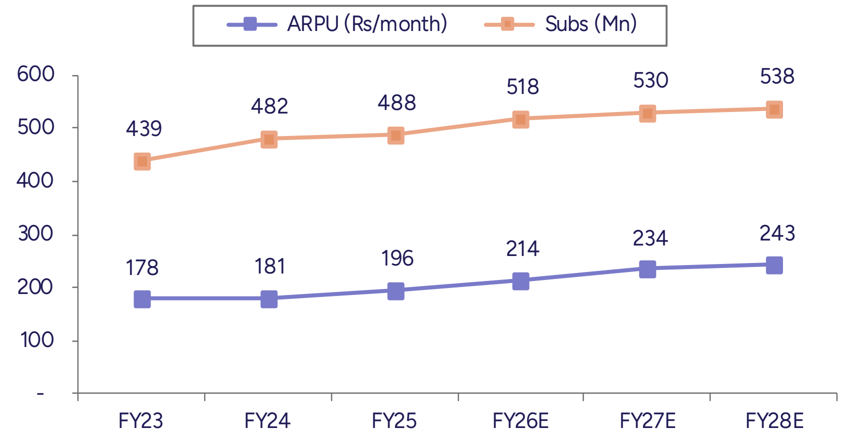
Data center: Indian telecom operators are shifting focus from network expansion to AI-ready data centers and cloud infrastructure, with over Rs1,000bn of investments planned over the next 2-3 years. The objective is to scale digital services and raise enterprise revenues. Bharti Airtel announced a Rs50bn investment in late 2024 to expand Nxtra's data center capacity to 400MW from 240MW. Separately, Airtel has partnered with Google to develop ~1GW AI data center hub in Visakhapatnam. RJIL is planning to build ~3GW AI-ready data center campus in Jamnagar.

Exhibit 19: RJIL income statement (Rs bn)

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
Total Revenue	**1,001**	**1,141**	**1293**	**1474**	**1560**
EBITDA	**524**	**602**	**702**	**811**	**896**
Depreciation	214	231	262	318	356
EBIT	**310**	**371**	**440**	**493**	**540**
Interest & Finance Charges	40	40	88	94	100
Other Income	5	9	25	30	52
PBT	**275**	**333**	**378**	**429**	**492**
Tax	70	85	97	110	126
Net Income After Taxes	**205**	**249**	**281**	**320**	**367**

Source: Company, PL

Exhibit 20: Subscriber count to reach 538mn in FY28E



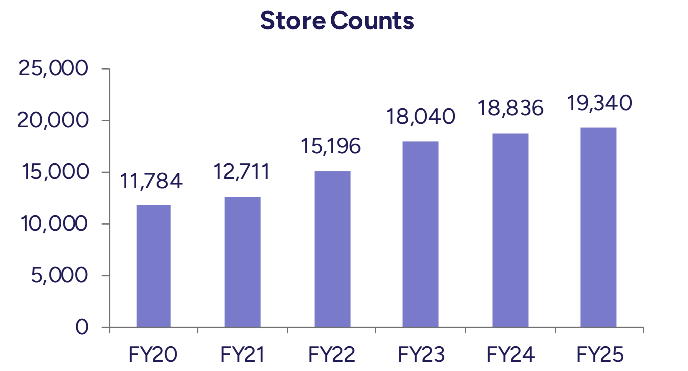
Source: Company, PL

We estimate subscriber count to reach 538mn and ARPU of Rs243 in FY28E, clocking 3.3% and 7.4% CAGR, respectively, over FY25-28E with revenue crossing Rs1,500bn and EBITDA at Rs896bn as subscriber mix improves and users opt for higher value plans. We value RJIL at EV/EBITDA of 15x Dec'27E, arriving at TP of Rs608 after considering RELIANCE's stake discount of 66.5%.

Reliance Retail

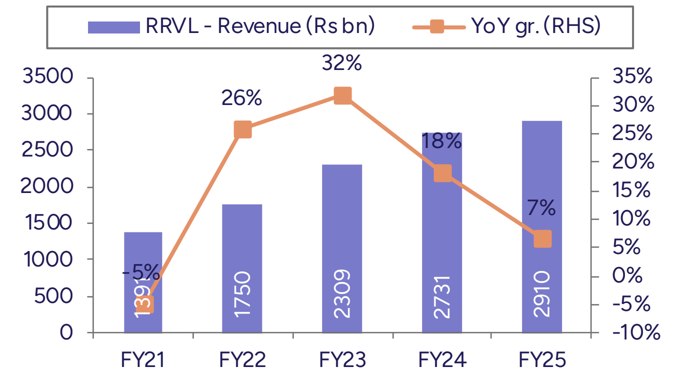
RRVL's performance has improved significantly post COVID-19 driven by aggressive store network growth and rising consumer demand, as organized retail penetration increased across India.

Exhibit 21: **RRVL store counts trend**



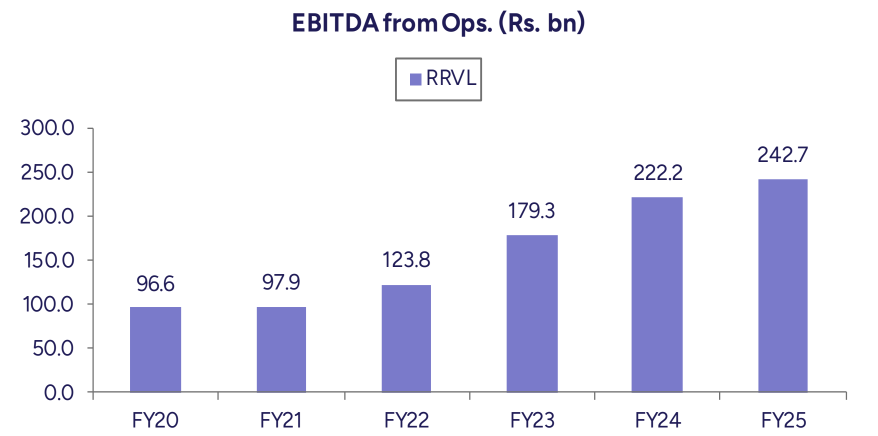
Source: Company, PL

Exhibit 22: **RRVL revenue trend**



Source: Company, PL

Exhibit 23: **RRVL EBITDA trend**



Source: Company, PL

Segments

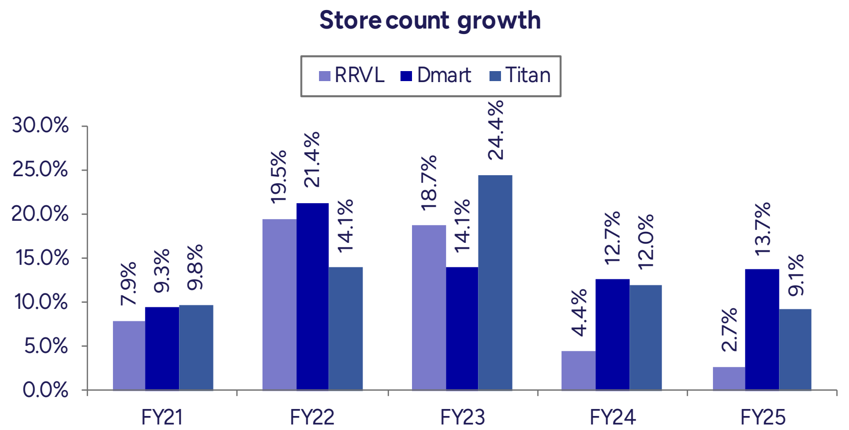
Grocery – Key items include dairy, frozen & bakery, staples and packaged foods.

JioMart - Among India's largest quick-commerce networks, with presence across 5,000+ pin codes in over 1,000 cities, supported by 3,000+ fulfilment points comprising a mix of walk-in stores and dark stores

Fashion and lifestyle - Operates the largest network of omni-channel stores across 1,300+ cities. Lingerie brands have expanded into new categories including premium thermal wear and winter outerwear. Ajio remains a key growth driver. Shein's booking revenue continues to scale; crossed 6.5mn app installs, portfolio doubled to 50,000+ options

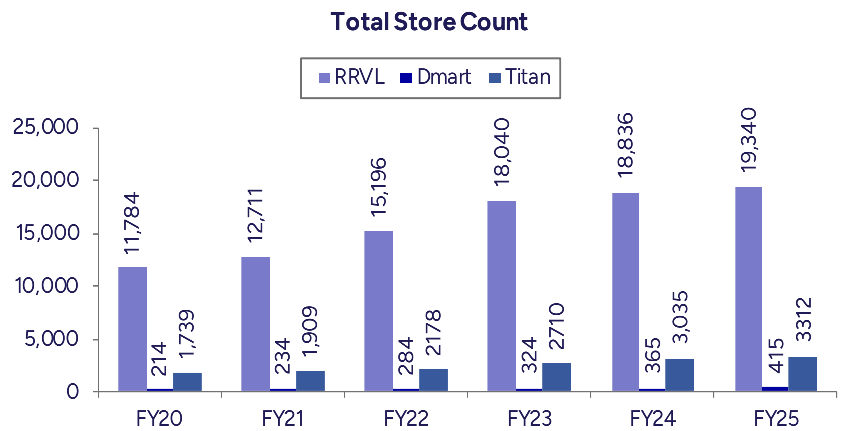
Consumer electronics - One of the leading consumer electronics retailers operating Reliance Digital and MyJio Store. ResQ – Provides in-house after-sales service. India's first multi-brand multi-category service provider that ensures seamless customer support and satisfaction.

Exhibit 24: Store count growth of RRVL and peers



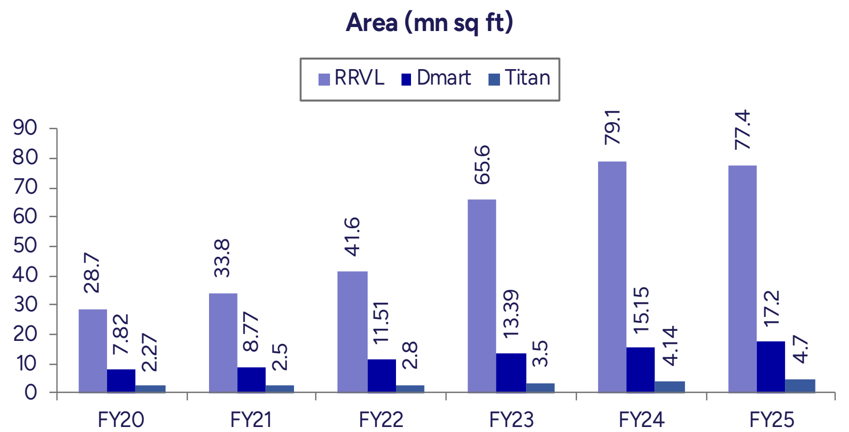
Source: Company, PL

Exhibit 25: Total store count of RRVL and peers



Source: Company, PL

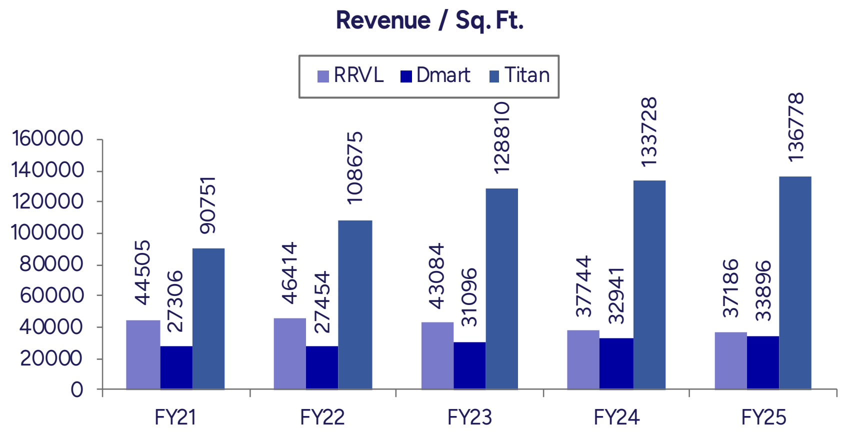
Exhibit 26: Total store area of RRVL and peers



Source: Company, PL

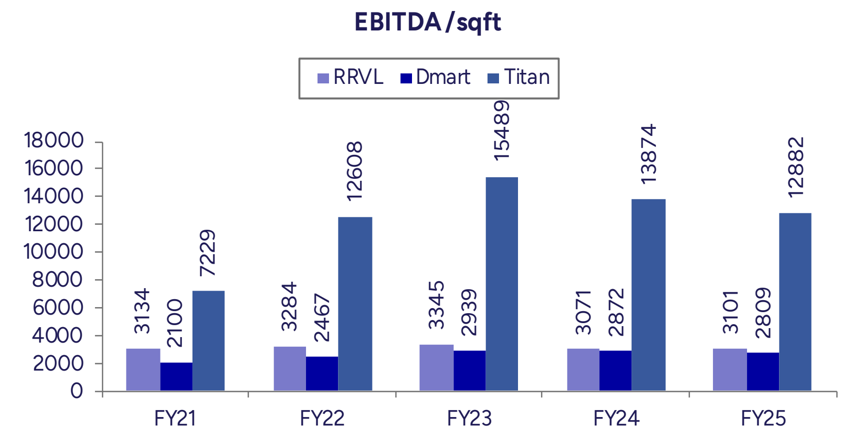
While RRVL continues to operate the largest store network in absolute terms and in total area terms in India, the pace of store additions has moderated relative to peers such as DMart and Titan. This trend may indicate a greater emphasis on optimizing existing formats and leveraging omnichannel channels, rather than prioritizing aggressive physical store expansion. In contrast, Titan and DMart have sustained higher store growth rates, supported by focused formats and strong unit economics.

Exhibit 27: Revenue/sq.ft – RRVL and peers



Source: Company, PL

Exhibit 28: EBITDA/sq.ft – RRVL and peers



Source: Company, PL

In terms of revenue and EBITDA/sqft, Titan leads the pack, followed by RRVL and DMart, due to its premium and high-value product mix, particularly jewelry and better operating leverage.

Although RRVL has certain exposure to jewelry and fashion segments, it reported lower blended revenue and EBITDA/sq ft due to its large exposure to mass-market grocery and value-oriented formats, where margins are thinner. DMart's revenue and EBITDA/sqft were lower in comparison, consistent with its low-margin, high-volume grocery-led model, which prioritizes cost efficiency and inventory turnover.

RRVL's lower revenue and EBITDA/sqft reflect its heavy exposure to low-margin, mass-market grocery and value formats. However, this is partly offset by scale benefits, strong footfall, and optionality from higher margin categories such as jewelry and fashion, which can support gradual margin expansion over time.

Exhibit 29: RRVL income statement (Rs bn)

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	**2,731**	**2,910**	**3,326**	**3,682**	**3,977**
Change (%)	*18.3*	*6.6*	14.3	10.7	8.0
Total Expenditure	**2,512**	**2,671**	3,062	3,392	3,651
% of Sales	*92.0*	*91.8*	92.1	92.1	91.8
EBITDA	**219**	**239**	**264**	**291**	**326**
Margin (%)	*8.0*	*8.2*	7.9	7.9	8.2

Source: Company, PL

We expect EBITDA margin to remain steady, at 8.0-8.2% by FY28. EBITDA CAGR is expected at 10.9% over FY25-28E supported by store-level scale, with jewelry and fashion offering incremental profitability upside over time. We value RRVL at 38x Dec'27E EV/EBITDA, arriving at TP of Rs721 after factoring in RELIANCE's 83.6% stake.

New Energy

- RELIANCE, through its subsidiary RNEL, is developing a fully integrated solar manufacturing platform with an initial capacity of 10GW, scalable to 20GW, alongside a fully integrated battery value chain from cells to ESS containerized storage. Battery capacity is being built in phases, starting at 40GWh and expandable to 100GWh. This solar and battery capacity will primarily support round-the-clock captive power generation at the Kutch site.
- Progress on the new energy platform remains on track. The solar PV giga-factory has seen steady execution, with solar module and cell manufacturing facilities already commissioned, while the pilot line for ingot and wafer production is operational. Construction of polysilicon and solar glass units is advancing at a fast pace, with commissioning targeted within a year, completing the integrated solar value chain.
- In parallel, the company is developing BESS with 40GWh of annual cell and assembly capacity under construction, to be commissioned in phases over the year. All key equipment has reached the site, enhancing visibility on timely execution, and the management reiterated its ability to scale capacity to ~100GWh over time. Initial power generation from New Energy assets is expected over the next 12–15 months. Notably, a substantial portion of the initially announced capex of ~Rs750bn has already been incurred or firmly committed, underscoring execution momentum and capex visibility.
- In the absence of quantitative disclosures, we assign a value of Rs111/share to this segment, valuing it at 2x the earlier announced capex of Rs750bn.

Financials

Income Statement (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	**9,647**	**9,611**	**10,533**	**11,568**
YoY gr. (%)	*7.1*	*(0.4)*	*9.6*	*9.8*
Cost of Goods Sold	6,297	6,274	7,013	7,856
Gross Profit	3,350	3,338	3,520	3,712
Margin (%)	*34.7*	*34.7*	*33.4*	*32.1*
Employee Cost	286	285	318	356
Other Expenses	1,410	1,315	1,291	1,300
EBITDA	**1,654**	**1,738**	**1,911**	**2,056**
YoY gr. (%)	*2.0*	*5.1*	*10.0*	*7.5*
Margin (%)	*17.1*	*18.1*	*18.1*	*17.8*
Depreciation and Amortization	531	550	677	696
EBIT	**1,123**	**1,188**	**1,234**	**1,359**
Margin (%)	*11.6*	*12.4*	*11.7*	*11.8*
Net Interest	243	271	303	313
Other Income	180	184	185	186
Profit Before Tax	**1,060**	**1,101**	**1,116**	**1,233**
Margin (%)	*11.0*	*11.5*	*10.6*	*10.7*
Total Tax	252	245	280	310
Effective tax rate (%)	*23.8*	*22.3*	*25.1*	*25.1*
Profit after tax	**808**	**856**	**836**	**923**
Minority interest	111	149	153	158
Share Profit from Associate	-	-	-	-
Adjusted PAT	**696**	**618**	**682**	**765**
YoY gr. (%)	*0.0*	*(11.3)*	*10.5*	*12.1*
Margin (%)	*7.2*	*6.4*	*6.5*	*6.6*
Extra Ord. Income / (Exp)	-	89	-	-
Reported PAT	**696**	**707**	**682**	**765**
YoY gr. (%)	*0.0*	*1.5*	*(3.5)*	*12.1*
Margin (%)	*7.2*	*7.4*	*6.5*	*6.6*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	696	707	682	765
Equity Shares O/s (bn)	**14**	**14**	**14**	**14**
EPS (Rs)	**51.5**	**45.6**	**50.4**	**56.5**

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	**13,981**	**16,178**	**17,677**	**18,966**
Tangibles	13,981	16,178	17,677	18,966
Intangibles	-	-	-	-
Acc: Dep / Amortization	**4,233**	**4,783**	**5,460**	**6,156**
Tangibles	4,233	4,783	5,460	6,156
Intangibles	-	-	-	-
Net fixed assets	**9,749**	**11,395**	**12,217**	**12,810**
Tangibles	9,749	11,395	12,217	12,810
Intangibles	-	-	-	-
Capital Work In Progress	2,624	1,627	1,328	1,238
Goodwill	245	245	245	245
Non-Current Investments	2,424	2,424	2,424	2,424
Net Deferred tax assets	(835)	(835)	(835)	(835)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	1,461	1,455	1,595	1,751
Trade receivables	421	420	460	505
Cash & Bank Balance	1,065	1,145	1,501	1,976
Other Current Assets	-	-	-	-
Total Assets	**19,501**	**20,219**	**21,422**	**22,765**
Equity				
Equity Share Capital	135	135	135	135
Other Equity	8,297	8,907	9,519	10,215
Total Networth	**8,432**	**9,042**	**9,655**	**10,350**
Non-Current Liabilities				
Long Term borrowings	3,696	3,821	3,946	4,071
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	1,868	1,861	2,039	2,240
Other current liabilities	3,007	2,996	3,283	3,605
Total Equity & Liabilities	**19,501**	**20,219**	**21,422**	**22,765**

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	1,060	1,101	1,116	1,233
Add. Depreciation	531	550	677	696
Add. Interest	-	-	-	-
Less Financial Other Income	180	184	185	186
Add. Other	211	(149)	(153)	(158)
Op. profit before WC changes	1,802	1,502	1,640	1,771
Net Changes-WC	237	(5)	141	159
Direct tax	(252)	(245)	(280)	(310)
Net cash from Op. activities	**1,787**	**1,252**	**1,501**	**1,620**
Capital expenditures	(1,376)	(1,200)	(1,200)	(1,200)
Interest / Dividend Income	-	-	-	-
Others	(48)	-	-	-
Net Cash from Invt. activities	**(1,425)**	**(1,200)**	**(1,200)**	**(1,200)**
Issue of share cap. / premium	0	-	-	-
Debt changes	192	125	125	125
Dividend paid	(72)	(97)	(70)	(70)
Interest paid	-	-	-	-
Others	(879)	-	-	-
Net cash from Fin. activities	**(319)**	**28**	**55**	**55**
Net change in cash	**44**	**80**	**356**	**475**
Free Cash Flow	411	52	301	420

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	**2,614**	**2,436**	**2,546**	**2,649**
YoY gr. (%)	*10.5*	*5.1*	*10.0*	*10.4*
Raw Material Expenses	1,704	1,527	1,633	1,716
Gross Profit	910	910	913	933
Margin (%)	*34.8*	*37.3*	*35.8*	*35.2*
EBITDA	**438**	**429**	**459**	**460**
YoY gr. (%)	*3.1*	*10.7*	*17.5*	*5.1*
Margin (%)	*16.8*	*17.6*	*18.0*	*17.4*
Depreciation / Depletion	135	138	144	146
EBIT	**304**	**291**	**315**	**314**
Margin (%)	*11.6*	*11.9*	*12.4*	*11.9*
Net Interest	62	70	68	66
Other Income	49	151	45	49
Profit before Tax	**291**	**371**	**291**	**297**
Margin (%)	*11.1*	*15.2*	*11.4*	*11.2*
Total Tax	67	65	70	75
Effective tax rate (%)	*22.9*	*17.4*	*24.0*	*25.4*
Profit after Tax	**224**	**307**	**221**	**222**
Minority interest	30	37	40	35
Share Profit from Associates	-	-	-	-
Adjusted PAT	**194**	**270**	**182**	**186**
YoY gr. (%)	*2.4*	*78.3*	*9.7*	*0.6*
Margin (%)	*7.4*	*11.1*	*7.1*	*7.0*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**194**	**270**	**182**	**186**
YoY gr. (%)	*2.4*	*78.3*	*9.7*	*0.6*
Margin (%)	*7.4*	*11.1*	*7.1*	*7.0*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**194**	**270**	**182**	**186**
Avg. Shares O/s (bn)	14	14	14	14
EPS (Rs)	**14.3**	**19.9**	**13.4**	**13.8**

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	51.5	45.6	50.4	56.5
CEPS	90.7	86.3	100.5	108.0
BVPS	623.1	668.2	713.5	764.9
FCF	30.4	3.8	22.2	31.0
DPS	5.5	7.1	5.2	5.2
Return Ratio(%)				
RoCE	9.5	9.5	9.3	9.7
ROIC	6.1	6.2	6.2	6.5
RoE	8.5	7.1	7.3	7.6
Balance Sheet				
Net Debt : Equity (x)	0.3	0.3	0.3	0.2
Net Working Capital (Days)	26	26	25	23
Valuation(x)				
PER	27.6	31.2	28.2	25.2
P/B	2.3	2.1	2.0	1.9
P/CEPS	15.7	16.5	14.2	13.2
EV/EBITDA	13.2	12.6	11.4	10.4
EV/Sales	2.3	2.3	2.1	1.8
Dividend Yield (%)	0.4	0.5	0.4	0.4

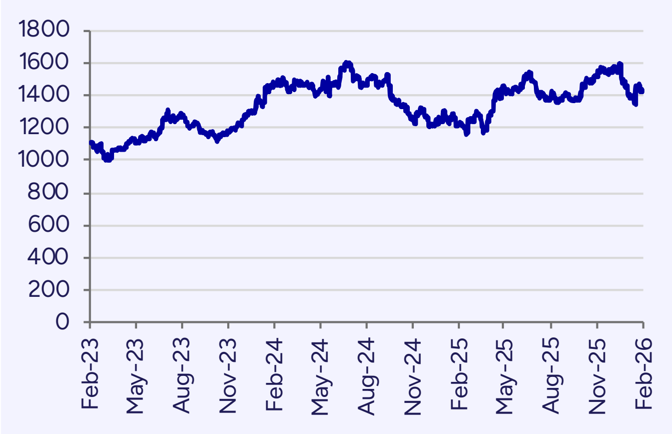
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Brent (US$/bbl)	78.9	65.4	68.8	75.0
US$/Rs	84.6	87.9	89.8	90.5
Production meant for sale(mmt)	17.8	18.0	18.0	18.5
Net Sub. addition / month (mn)	6.4	30.1	12.0	8.0
ARPU	196.1	214.1	234.3	243.2
Retail Net Rev Growth YoY(%)	18.3	6.6	14.3	10.7

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	18-Jan-26	BUY	1,683	1,458
2	07-Jan-26	BUY	1,741	1,508
3	18-Oct-25	BUY	1,668	1,417
4	03-Oct-25	BUY	1,609	1,363
5	01-Sep-25	BUY	1,555	1,357
6	20-Jul-25	Accumulate	1,555	1,476
7	03-Jul-25	Hold	1,479	1,519
8	28-Apr-25	Accumulate	1,482	1,300
9	08-Apr-25	BUY	1,481	1,166

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Accumulate	466	430
2	Bharat Petroleum Corporation	Accumulate	406	373
3	Bharti Airtel	Accumulate	2,313	2,038
4	Clean Science and Technology	Hold	841	861
5	Deepak Nitrite	Hold	1,673	1,634
6	Fine Organic Industries	BUY	5,117	4,423
7	GAIL (India)	BUY	190	160
8	Gujarat Fluorochemicals	Hold	3,434	3,360
9	Gujarat Gas	Accumulate	422	399
10	Gujarat State Petronet	Hold	296	303
11	Hindustan Petroleum Corporation	Accumulate	457	428
12	Indian Oil Corporation	Accumulate	195	176
13	Indraprastha Gas	Accumulate	191	167
14	Jubilant Ingrevia	Hold	657	626
15	Laxmi Organic Industries	Reduce	125	143
16	Mahanagar Gas	Accumulate	1,305	1,181
17	Mangalore Refinery & Petrochemicals	Accumulate	162	151
18	Navin Fluorine International	Accumulate	7,038	6,598
19	NOCIL	Hold	159	153
20	Oil & Natural Gas Corporation	Accumulate	297	267
21	Oil India	Accumulate	527	479
22	Petronet LNG	Hold	288	290
23	Reliance Industries	BUY	1,683	1,458
24	SRF	Hold	2,894	2,883
25	Vinati Organics	Accumulate	1,671	1,496

PL's Recommendation Nomenclature (Absolute Performance)

Buy	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock

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