

Reliance Industries | BUY



Key takeaways from FY25 Annual Report

RIL, in its [FY25 annual report](#), reiterated plans to establish 100GW of renewable energy by 2030 to achieve Net Carbon Zero by 2035; it also highlighted that its Green Energy Giga complex and related projects are progressing on schedule for gradual commissioning over CY25/26. On the O2C business, it highlighted that while petchem margin outlook is subdued on huge capacity addition amidst muted demand, refining margin outlook is robust as ramp-up of new refineries is likely to be offset by shutdowns. As regards the Digital business, it highlighted that Jio's SA 5G network carries ~60% of India wireless data traffic and has ~191mn 5G users at end-FY25. Further, Jio accounted for ~70% of new homes addition in industry in FY25 via its aggressive rollout of JioAirFiber; the company reiterated its 100mn homes target. Digital business capex moderated to INR 385bn in FY25 (vs. INR 574bn in in FY24) taking cumulative investment to ~INR 5.5trln; EBITDA contribution from digital business ex-telecom is ~INR 38bn in FY25 and accounts for 6-7% of overall Digital EBITDA. Separately, Retail business capex rose to INR 337bn in FY25 (vs. INR 245bn in FY24 but below peak capex of INR 514bn in FY23); the management is focused on expanding consumer brands and strengthening digital and new commerce capabilities. RIL's consolidated FY25 capex remains moderate at ~INR 1,311bn led by moderation in digital capex; net debt is likely to have peaked as capex likely to get fully funded via internal cash flows. We reiterate BUY (unchanged TP of INR 1,700) as we believe RIL has industry leading capabilities across businesses to drive robust 15-20% EPS CAGR over the next 3-5 years, particularly driven by both consumer businesses with Jio's ARPU is expected to rise at 13% CAGR over FY25-28 with ARPU being on a structural uptrend given the industry structure, future investment needs, and the need to avoid a duopoly market.

- Reiterates plans to establish 100GW of renewable energy by 2030 to achieve Net Carbon Zero by 2035; Green Energy Giga complex and related projects progressing on schedule for gradual commissioning over CY25/26: RIL reiterated its New Energy business roadmap and reported rapid progress in setting up of giga factories, establish 100GW of renewable energy by 2030 to achieve Net Carbon Zero by 2035 and become one of the world's leading new energy and new materials companies over a period of 10 years. Further, it also shared progress on the Green Energy Giga Complex in Jamnagar and the related projects: **a)** commissioned its first GW+ scale solar PV module line and is well on its way to establish 10GW fully integrated solar PV manufacturing from polysilicon to ingot and wafer to cell/module along with glass and encapsulant and expand it in modular fashion thereafter; **b)** 30GWh advanced battery giga-factory scheduled for progressive commissioning over 2025/2026; **c)** multi-GW electrolyser giga-factory on track, expected to be established by end-2026, which will bolster its green hydrogen capabilities; and **d)** started land development in Kutch for solar power generation; also highlighted that it can generate ~150bn units of electricity from Kutch. Separately, it also shared its CBG ambitions and EV charging initiatives.

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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,700
Upside/(Downside)	23.0%
Previous Price Target	1,700
Change	0.0%

Key Data – RELIANCE IN

Current Market Price	INR1,383
Market cap (bn)	INR18,710.6/US\$213.7
Free Float	44%
Shares in issue (mn)	13,530.0
Diluted share (mn)	13,532.0
3-mon avg daily val (mn)	INR15,855.9/US\$181.1
52-week range	1,551/1,115
Sensex/Nifty	80,598/24,631
INR/US\$	87.6

Price Performance

%	1M	6M	12M
Absolute	-7.5	13.7	-5.5
Relative*	-5.6	7.2	-7.2

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	90,10,640	96,46,930	95,89,984	1,06,70,609	1,21,83,694
Sales Growth (%)	2.6	7.1	-0.6	11.3	14.2
EBITDA	16,22,330	16,54,440	18,65,957	21,41,193	24,95,732
EBITDA Margin (%)	18.0	17.1	19.5	20.1	20.5
Adjusted Net Profit	6,96,210	6,96,480	8,34,067	9,74,227	11,74,753
Diluted EPS (INR)	51.4	51.5	61.6	72.0	86.8
Diluted EPS Growth (%)	5.0	0.0	19.8	16.8	20.6
ROIC (%)	9.5	8.8	9.8	10.7	12.0
ROE (%)	9.2	8.5	9.6	10.4	11.5
P/E (x)	26.9	26.9	22.4	19.2	15.9
P/B (x)	2.4	2.2	2.1	1.9	1.8
EV/EBITDA (x)	13.1	13.1	11.7	10.2	8.7
Dividend Yield (%)	0.4	0.4	0.4	0.5	0.6

Source: Company data, JM Financial. Note: Valuations as of 13/Aug/2025

- **Petchem margin outlook subdued on huge capacity addition amidst muted demand; however, refining margin outlook robust as ramp-up of new refineries likely to be offset by shutdown:** Petchem margin outlook continues to be weak on huge capacity addition amidst muted growth in global petchem demand, but RIL's petchem margin and volume has been relatively better due to optimised feed mix and healthy domestic demand. However, global refining margin outlook remains robust as ramp-up of new refineries is likely to be offset by shutdowns; further, RIL is well placed with feedstock sourcing advantage, yield optimisation and superior product placement. On E&P business, RIL is focussing on reserves accretion via commercialisation of discovered resources and infrastructure-led exploration.
- **Jio's SA 5G network carries ~60% of India wireless data traffic and has ~191mn 5G users at end FY25; Jio accounted for ~70% of new homes addition in industry in FY25 via its aggressive roll-out of JioAirFiber, reiterated 100mn homes target:** Jio reiterated its edge in 5G due to its standalone (SA) 5G architecture and had ~191mn subscribers (subs) on its pan-India 5G network at FY25 end (vs. ~108mn at end FY24 for Jio; Bharti has ~135mn 5G subs at end FY25). Jio's 5G network now carries almost ~45% of its wireless data (vs. ~30% at end FY24). Further, Jio's aggressive pan-India rollout of JioAirFiber enabled it connect ~18mn homes with JioFiber/JioAirFiber at end-Mar'25 (and +20mn at end-Jun'25 vs ~12mn premises at end-Mar'24); Jio accounted for ~70% of total new additions in industry in FY25 as per TRAI data. It reiterated its target to connect 100mn homes through a combination of fibre and fixed wireless solutions. Moreover, Jio is building a comprehensive AI ecosystem that democratises computer access and develops indigenous AI capabilities, and helps tap the huge opportunity provided by AI services.
- **Digital business capex moderated to INR 385bn in FY25 (vs. INR 574bn in in FY24) taking cumulative investment to ~INR 5.5trln; EBITDA contribution from digital business ex-telecom is ~INR 38bn in FY25 and accounts for 6-7% of overall Digital EBITDA:** RIL's capex in the Digital business moderated to INR 384bn in FY25 (vs INR 574bn in FY24) after it had rolled out 5G pan-India by Dec'23. This takes cumulative investment to ~INR 5.3trln till end-FY25 in the overall Digital business including Telecom. Out of this, +INR 4.5trln cumulative investment has been spent so far in the Telecom business while + INR 0.9trln has been spent in pure Digital businesses ex-Telecom. EBITDA contribution from the Digital business ex-Telecom is ~INR 38bn in FY25 and accounts for 6-7% of overall Digital EBITDA of ~INR 650bn. Of this ~INR 38bn Digital EBITDA, ~INR 29bn is on account of entities inside JPL and ~INR 8bn is related to entities outside JPL – **Exhibit 7-8**.
- **Retail business capex rose to INR 337bn in FY25 (vs. INR 245bn in FY24 but below peak capex of INR 514bn in FY25); focused on expanding consumer brands and strengthening Digital/New Commerce capabilities:** The management reiterated the strong growth potential in India's retail sector, expected to grow at a strong ~9% CAGR to INR 190trln market by CY34 (quoting a recent report by BCG and Retailers Association of India). RIL Retail is the largest omni-channel retailer with integrated physical stores, digital and new commerce platforms, and it witnessed steady to strong growth across segments in FY25 while JioMart continued to scale its quick commerce delivery capability. Reliance Retail's capex rose to INR 337bn in FY25 vs. INR 245bn in FY24, but continues to have moderated vis-à-vis huge capex of INR 514bn in FY23. Reliance Retail added 2,659 gross new stores and 504 net new stores during FY25, taking the total store count to 19,340 at end FY25 while its total retail space area declined slightly to 77.4mn sqft at end-FY25 (vs. 79.1mn sqft at end-FY24) probably as a few larger stores got rationalised and replaced by smaller stores. The registered customer base grew ~15% YoY to 349mn at end FY25. Further, consumer brands business continued to show strong growth across categories, driven by expanding product offerings and increasing market presence, with flagship brands such as Campa and Independence gaining momentum across regions, strengthening their position in key categories and showing promising growth potential. Campa continued to gain traction across markets, registering >10% market share in sparkling beverage category in select states.
- **RIL's FY25 capex remains moderate at ~INR 1,311bn led by moderation in Digital capex; net debt likely to have peaked as capex likely to get fully funded via internal cash flows:** RIL's consolidated capex moderated slightly to INR 1,311bn in FY25 (vs. INR 1,318bn in

FY24) as: **a)** Digital business capex declined to INR 384bn in FY25 (vs. INR 574bn in FY24); **b)** Retail business capex increased to INR 337bn in FY25 (vs. INR 245bn in FY24 but below peak capex of INR 514bn in FY23); and **c)** O2C business capex increased to INR 266bn in FY25 (vs. INR 203bn in FY24). RIL's consolidated reported net debt stood at INR 1,171bn at end-FY25 or 0.7x reported net debt to EBITDA; however, as per our calculations, adjusted net debt (including spectrum and other liabilities) was at ~INR 3,046bn or comfortable 1.8x adjusted net debt to EBITDA. We expect the capex run-rate to remain around FY25 level of ~INR 1,300bn going forward, with rise in New Energy capex (assumed at annual run-rate of ~INR 250bn) offset by moderation in Retail and other businesses. Hence, we expect RIL's net debt to having peaked and decline gradually as capex is likely to get fully funded via a gradual rise in internal cash generation.

- **AGM on 29th Aug'25 — key expectations around potential strategic sale and listing plans for its key businesses:** Key expectations from 29th Aug'25 AGM are around any update on: **a)** potential timeline for listing of Digital and Retail businesses; any potential strategic stake sale in O2C business; **b)** any update on 5G monetisation plans; **c)** update on progress of various projects underway in the New Energy business with timelines around project commissioning and potential earning potential from this projects; **d)** update on long-term capex plans in the New Energy business and potential strategic stake sale in the business and **e)** any further update around succession plans.
- **Reiterate BUY on robust 15-20% EPS CAGR over the next 3-5 years:** We reiterate BUY (unchanged TP of INR 1,700) as we believe RIL has industry leading capabilities across businesses to drive robust 15-20% EPS CAGR over the next 3-5 years, particularly driven by both consumer businesses with Jio's ARPU is expected to rise at 13% CAGR over FY25-28 with ARPU being on a structural uptrend given the industry structure, future investment needs, and the need to avoid a duopoly market. Clarity on the potential timeline and valuation of Jio's listing could be a possible near- to medium-term trigger. At CMP, the stock is trading at FY27E P/E of 19.2x (3-yr avg: 24.7x) and FY27E EV/EBITDA of 10.2x (3-yr avg: 12.6x). Key risks: **a)** sharp jump in capex in New Energy business, resulting in rising net debt with limited earnings visibility from new projects; **b)** weak subs addition and limited ARPU hike; **c)** muted growth in the retail business; and **d)** subdued O2C margins due to macro concerns.

New Energy business and Net Carbon Zero

Reiterates Net Carbon Zero target by 2035 and vision to become one of the world's leading new energy and new materials companies over a period of 10 years

RIL reiterated its target to become Net Carbon Zero by 2035, through a fully integrated, globally competitive clean energy platform. It is building a new energy ecosystem from the ground up, spanning photons to electrons to green molecules, across solar, storage, green hydrogen, and sustainable chemicals. Under this, the company is building multiple mega-factories (in a modular fashion so that they can be scaled easily) and investing in the value chain, partnerships and future technologies (including upstream and downstream industries). Further, as part of its Net Carbon Zero plan, RIL reiterated its plan to establish and enable 100GW of renewable energy by 2030 (out of the Indian government's target to add 500GW of renewable energy by 2030).

Separately, it also reiterated its vision to become one of the world's leading new energy and new materials companies over a period of 10 years through a strategic focus on clean energy transition, making CO₂ a recyclable resource and replacing transportation fuel. It continues to explore cutting edge technologies to convert CO₂ into valuable products, with carbon capture and utilisation playing a pivotal role. Its other initiatives include **a)** improving energy efficiency; **b)** upgrading syngas to high-value chemicals; and **c)** converting transportation fuels to valuable petrochemicals and material building blocks.

Exhibit 1. RIL's New Energy business: Acquisitions and partnerships over the last few years

Brand / Company	Segment	Amount (INR bn)	Details
Nel	Electrolyser Technology		Acquired exclusive license for Nel's electrolyzers in India
Stiesdal	Electrolyser Technology		Collaborated on technology development & manufacturing of electrolyzers in India
NexWafe	Silicon Wafers Manufacturing	2.3	Acquired stake
REC Solar	Solar Panel Manufacturing	61.7	Acquired 100% stake
Sterling & Wilson Renew able Energy	Solar EPC Solutions	28.5	Acquired 40% stake
Ambri	Energy Storage	4.0	Made strategic investment
Faradion	Energy Storage	12.5	Acquired 100% stake for ~ INR 10bn and invested ~INR 2.5bn as growth capital
Lithium Werks	Energy Storage	4.9	Acquired 100% stake
SenseHawk	Solar Industry Software	2.6	Acquired majority stake
Caelux	Solar Power Solutions	1.0	Acquired 20% stake
Altigreen	EV Solutions	0.5	Acquired stake
Total		118	

Source: Company

Shares progress on the Green Energy Giga Complex in Jamnagar and related projects

a) Integrated solar PV module giga-factory progressing rapidly: The company shared that the project is progressing rapidly, with engineering completed, procurement finalised, and equipment deliveries expected in 2025. Further, it shared that it commissioned its first GW+ scale solar PV module line with BIS certification and is well on its way to establish 10GW fully integrated solar PV manufacturing from polysilicon to ingot and wafer to cell/module along with glass and encapsulant and expand it in modular fashion thereafter.

b) 30GWh advanced battery giga-factory scheduled for progressive commissioning over 2025/2026: The company is building a 30GWh advanced battery giga-factory that is scheduled for progressive commissioning over 2025/2026. Further, it shared that this facility will initially assemble Battery Energy Storage Systems (BESS) and then integrate backward into cell manufacturing and battery chemicals, creating the world's only fully integrated battery giga-factory to drive value chain synergies.

c) Multi-GW electrolyser giga-factory on track; expected to be established by end-2026: The company is on track to establish a fully automated, multi-GW electrolyser manufacturing facility by end-2026, which will bolster its green hydrogen capabilities. For this, it has: **i)** secured exclusive technology licensing from Nel ASA for alkaline electrolyzers (India and captive global); and **ii)** acquired Nauyaan Shipyard near Dahej for electrolyser and fabrication capacity.

d) Started land development in Kutch for solar power generation: The company has started developing arid wasteland (with high solar irradiance), leased in Kutch for solar power generation and shared that it is progressing at a rapid pace. It also highlighted that it can generate ~150bn units of electricity from Kutch. Separately, it has also been awarded key

transmission projects (Lakadia-1 and Kandla), securing power connectivity for its captive requirements from Kutch as well as for its green chemical projects. Further, it also has access to 2,000 acres of land in Kandla for green chemicals production and evacuation.

Also shares CBG ambitions and EV charging initiatives

RIL's subsidiary "Reliance Bio Energy" is India's largest integrated bioenergy platform. It operationalised seven CBG plants with ~130TPD production capacity (50KTPA), which will also produce 200KTPA of high quality Fermented Organic Manure (FOM). Further, it is on track to establish 55 CBG plants including integrated CBG Hub with a cumulative capacity of 0.4MTPA of CBG and 2MTPA of organic manure. Moreover, it has built the world's largest bioenergy R&D centre in Jamnagar, focused on microbial innovation, crop science, automation, and plant energy self-reliance.

Separately, Jio-bp launched the Charger on Wheels (COW) mobile charging unit and unveiled southern India's largest public EV charging hub, while also piloting a 'Green Energy Open Access' project. Additionally, it has also expanded its CBG/CNG offerings across its retail outlets.

O2C and E&P business

Petchem margin weakness continues on huge capacity addition amidst muted demand; RIL relatively better placed due to optimised feed mix & healthy domestic demand

Polymers and Elastomers – global margins remained weak amidst global capacity additions and slowdown in consumption while India’s domestic demand remains healthy:

Global ethylene demand grew 2.2% YoY to 185mmtpa in CY24, while capacity addition was 4.6mmtpa, resulting in a higher global operating rate by 1.9%. Further, global polymer demand increased to 254mmtpa in CY24 (from 247mmtpa in CY23) while global PE, PP, and PVC demand grew 3%, 3% and 2.9% YoY respectively and domestic polymer demand grew 4.7% YoY in CY24. Further, global demand for E-SBR and PBR increased 2% and 3.9% YoY respectively in CY24 due to growth in the light vehicle sector.

Further, India’s domestic PP demand grew 8.2% YoY in FY25, driven by automotive, industrial and food packaging; PVC demand grew 12.1% YoY in FY25, led by agriculture and infrastructure sectors, while LLDPE and LDPE demand grew 8% and 0.7% YoY respectively on account of demand from the packaging segment. Further, India’s domestic SBR and PBR markets expanded 2.7% and 11.7% YoY respectively in FY25, driven by robust growth for automobile OEMs. Further, the company expects demand for downstream chemical products in India to grow ahead of GDP growth rate, driven by demand from infrastructure, packaging, automobiles and agriculture.

Polymer prices remained volatile during FY25 amidst global capacity additions, slowdown in consumption and recessionary concerns in developed markets. Polymer margin contracted during FY25 with PP-Naphtha, HDPE-Naphtha and PVC margins down 2.2%, 9.5% and 3.7% YoY respectively. Feedstock prices also remained volatile with US Ethane prices declining by 9% YoY (due to higher production of Ethane and natural gas in US) and Asian Naphtha prices increasing by 4.1% YoY in FY25.

Intermediates and Polyesters – margins capped due to capacity additions: Global intermediates demand rose 5.9% YoY to 173mmtpa in CY24 though markets remained under pressure due to volatility in crude prices: **a)** global PX demand grew 7.6% YoY, led by new capacity additions; **b)** PTA and MEG grew 5.4% and 5% YoY respectively due to high downstream polyester operating rates. Further, global polyester demand grew by 4.9% to 93mmtpa in CY24, driven by improvement in demand from Asian countries. Further, domestic polyester demand grew 5.4% YoY in FY25 with PET growing 11.5% YoY, driven by higher demand from the beverages segment, while PSF and PFY demand grew 3% & 3.5% YoY respectively due to improvement in downstream operations. Textile demand from India improved as political turmoil in Bangladesh made customers divert orders to India.

PX-Naphtha margin declined 34.4% YoY in FY25, due to weak global demand and oversupply. RIL continued to optimise production based on PX vs. gasoline economics. PTA-PX margins decreased by 11.6% YoY in FY25 due to significant capacity expansion of PTA in China. MEG-Naphtha margin surged 45.9% from a low base, driven by firm product prices due to low inventory in China. PET margin weakened due to substantial capacity increase in China and sluggish demand growth in western countries. Filament and Staple margins improved due to slowdown in capacity additions and improved China demand.

Global refining margin outlook robust as ramp-up of new refineries is likely to be offset by shutdowns; however, RIL well placed with feedstock sourcing advantage, yield optimisation & superior product placement

Oil demand is likely to maintain growth despite EV penetrations, largely driven by strong economic growth, China stimulus measures and possible easing of geopolitical tension. However, this could be subject to stagnating demand in China (EV penetration), aviation growth in Asia, geopolitical uncertainties and new economic policies (tariffs & sanctions). Further, ramp-up of new refineries may lead to weaker product cracks and refining margin in 2025. However, expected closures could create upside potential for refining margins. RIL continued to maximise refining margin with feedstock sourcing advantage (from Russia, etc.), yield optimisation and superior product placement.

Separately, Jio-bp's mobility station network comprised 1,916 outlets (at end-FY25). Further, Jio-bp Pulse has grown network to 5,750+ live charging points at end-FY25 (vs. +4,500 at end FY24) at 701 unique sites with industry leading charger uptime. The EV market in India scaled up significantly in FY25 with ~40k charging stations (vs. 13k+ in FY24) and cumulative countrywide EVs of 6mn (vs. 4mn in FY24).

E&P business

RIL is focusing on reserves accretion via commercialisation of discovered resources and infrastructure-led exploration. It is pursuing strategic initiatives in the KG Basin to commercialise additional discovered resources, aimed at augmenting production.

Exhibit 2. Production meant for sale and throughput (mmtpa)

	FY20	FY21	FY22	FY23	FY24	FY25
Transportation Fuels						
Gasoil	26.3	24.9	25.8	25.2	24.9	25.7
Gasoline / Alkylate	12.1	10.5	11.7	12.2	13.5	15.7
ATF	4.9	2.2	3.7	4.7	5.3	5.3
Polymers and Elastomers						
PP	2.9	2.9	2.9	2.7	2.8	3.0
PE	2.2	2.3	2.2	2.2	2.1	2.2
PVC	0.8	0.7	0.7	0.8	0.7	0.8
Elastomers and Feedstock	0.3	0.3	0.4	0.4	0.4	0.4
Intermediates and Polyesters						
PX	2.8	3.4	2.9	1.9	1.4	1.3
Benzene and Derivatives	0.5	0.5	0.5	0.4	0.5	0.5
PTA	2.4	2.0	2.2	2.2	2.4	2.3
MEG	1.2	1.3	1.2	1.0	0.9	1.1
Filament	1.2	1.0	1.2	1.2	1.3	1.7
Staple	0.8	0.7	0.8	0.8	0.8	0.9
PET	1.2	1.1	1.2	1.2	1.1	1.1
Fuels, Solids and Others	11.5	9.7	10.9	9.5	9.7	9.2
Total production meant for sale	71.0	63.6	68.2	66.4	67.8	71.2
Total throughput (mmt)	79.8	71.9	76.7	77.0	78.2	80.5

Source: Company

Exhibit 3. Global petchem margin trend; India's moderate demand provide support to RIL petchem business

	FY20	FY21	FY22	FY23	FY24	FY25
Global Petchem margins (USD/mt)						
Polymer Delta Scenario						
PP-Naphtha	166	637	530	360	315	308
HDPE-Naphtha	390	512	426	362	333	301
PVC-Naphtha-EDC	462	584	573	474	373	359
Polyester Delta Scenario	603	513	602	550	518	452
India's Petchem demand growth (% YoY)						
Polymer			8%	12%	14%	5%
PE			6%	8%	20%	NA
PP			14%	6%	9%	8%
PVC			3%	32%	9%	12%
Polyester			24%	14%	4%	5%
PSF			25%	17%	-2%	-3%
PFY			31%	10%	2%	-4%
PET			6%	28%	13%	12%

Source: Company

Exhibit 4. Refining margin declined in FY25 (after remaining strong in prior 2 years) led by lower diesel cracks

	FY25	FY24	FY23	FY22	FY21	FY20	FY19	FY18	FY17
S'pore GRM (USD/bbl)	3.8	6.6	10.8	5.0	0.5	3.2	4.9	7.2	5.8
Product cracks (USD/bbl)									
Diesel	14.0	20.5	35.7	10.5	4.7	13.6	14.4	13.2	11.3
Petrol	11.2	16.2	19.1	13.7	4.6	10.0	8.4	14.6	13.9
Naptha	-5.6	-11.8	-12.1	1.6	-0.8	-5.4	-3.9	0.2	0.1
LPG	-24.4	-29.7	-36.3	-15.1	-6.9	-22.2	-22.3	-13.2	-11.4
Jet Kero	14.0	21.2	33.1	9.3	1.4	13.0	14.9	13.3	11.5
Fuel Oil/others	-3.9	-9.4	-18.4	-6.5	-2.2	-6.9	-1.5	-3.2	-5.4
Brent (USD/bbl)	78.9	83.0	94.7	80.0	44.7	60.9	70.2	57.6	49.0

Source: Reuters, Bloomberg

Exhibit 5. O2C business SCOT analysis

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STRENGTHS

- Diversified feedstock sourcing and full value chain integration ensures cost efficiency and market resilience.
- Flexibility in product mix and manufacturing capabilities enhances profitability.
- Strong domestic presence and global reach with extensive supply chain, warehousing, and distribution networks.

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CHALLENGES

- Increased freight exposure threatens margin stability, especially in European and US markets.
- Global overcapacity in PP, PE, & polyester puts pressure on margins.
- High raw material costs and volatile feedstock prices affect profitability.

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OPPORTUNITIES

- Rising domestic demand & GDP and disposable income create market expansion opportunities.
- Potential Chinese consumer demand revival could impact global dynamics positively.
- Placing products strategically based on netback across regions boosts market penetration.

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THREATS

- Tightening heavy crude supply, geopolitical uncertainties, tariffs and supply chain disruptions threaten operations.
- China's self-sufficiency, rising exports, and trade agreements disrupt global trade, impacting margins.
- EV transition, carbon taxes, and sustainability regulations challenge traditional fuel products.

Source: Company

Digital business

Digital business capex moderated to INR 385bn in FY25 taking cumulative investment to ~INR 5.5trln; EBITDA contribution from digital business ex-telecom is ~INR 38bn in FY25 and accounts for 6-7% of overall Digital EBITDA

RIL's capex in the digital business moderated to INR 384bn in FY25 (vs. INR 574bn in FY24) after it had rolled out 5G pan-India by Dec'23. This takes cumulative investment to ~INR 5.3trln till end-FY25 in the overall digital business, including telecom. Out of this, +INR 4.5trln cumulative investment has been spent so far in the telecom business while + INR 0.9trln has been spent in the pure digital businesses ex-telecom (in the absence of disclosure, it is assumed that RIL would have invested ~INR 100bn in FY22, FY23, FY24 and in FY25 in the digital business, similar to FY21) of which: **a)** ~INR 780bn has been invested organically to develop digital assets, and; **b)** ~INR 120bn has been spent on acquisition of digital assets/start-ups.

Exhibit 6. Cumulative investment of ~INR 5.5trln in overall Telecom + Digital business; of this over INR 0.9trln spent on digital business alone

INR bn	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Comments
Total Digital capex (including Telecom)	481	795	390	360	827	1,522	574	384	Source: RIL annual report, this includes spectrum cost also
Jio Infocomm Limited capex	470	685	215	261	729	1,423	475	286	Source: Analyst meets, cash flow statement, JMFe
Other Digital capex (ex-telecom)	11	110	175	99	99	99	99	99	This balancing number of ~INR400bn over FY18-21 is the capex incurred on its 99 other Digital assets; for FY22, FY23, FY24 and FY25 assumed similar to FY21 in absence of break-up and difference as Jio capex
Value of investments in JPL			101	16					Equity/ preferred investments/ committed capital in subsidiaries of JPL

Source: Company, JM Financial.

Please note EBITDA from the digital business ex-telecom is ~INR 38bn in FY25 and accounts for 6-7% of overall digital EBITDA of ~INR 650bn. Of this ~INR 38bn Digital EBITDA, ~INR 29bn is on account of entities inside JPL and ~INR 8bn is related to entities outside JPL. Please refer **Exhibit 7-8**, which illustrates the capex and EBITDA from the digital business alone (i.e., ex-telecom), based upon RIL's and Jio's disclosures and our assumptions for the digital business capex for FY23, FY24 and FY25 at similar to FY22 levels.

Exhibit 7. Digital EBITDA ex-telecom accounts ~INR 38bn EBITDA in FY25 or 6-7% of overall Digital EBITDA

INR mn		FY20	FY21	FY22	FY23	FY24	FY25	YoY (%)
Revenue break-up								
Digital	a	691,280	902,870	1,001,610	1,197,890	1,329,380	1,541,190	15.9%
JPL consolidated	b		735,030	815,870	980,990	1,095,580	1,282,180	17.0%
Jio standalone (Telecom)	c	544,030	704,360	772,040	911,480	1,005,770	1,150,880	14.4%
Digital Revenue ex-Telecom	d=a-c	147,250	198,510	229,570	286,410	323,610	390,310	20.6%
-Entities inside JPL	e=b-c		30,670	43,830	69,510	89,810	131,300	46.2%
-Entities outside JPL	f=d-e		167,840	185,740	216,900	233,800	259,010	10.8%
Digital Revenue ex-Telecom (% of total Digital Revenue)			22.0%	22.9%	23.9%	24.3%	25.3%	
EBITDA break-up								
Digital	a	230,170	340,350	402,680	502,860	566,960	650,010	14.6%
JPL consolidated	b		323,590	391,120	487,210	549,590	641,700	16.8%
Jio standalone (Telecom)	c	216,540	314,610	378,570	470,340	528,780	612,330	15.8%
Digital EBITDA ex-Telecom	d=a-c	13,630	25,740	24,110	32,520	38,180	37,680	-1.3%
-Entities inside JPL	e=b-c		8,980	12,550	16,870	20,810	29,370	41.1%
-Entities outside JPL	f=d-e		16,760	11,560	15,650	17,370	8,310	-52.2%
Digital EBITDA ex-Telecom (% of total Digital EBITDA)			7.6%	6.0%	6.5%	6.7%	5.8%	
EBIT break-up								
Digital	a	145,510	211,810	251,500	296,810	331,230	397,170	19.9%
JPL consolidated	b		206,570	252,230	297,570	328,560	400,320	21.8%
Jio standalone (Telecom)	c	142,580	199,270	242,420	284,880	314,840	381,350	21.1%
Digital EBIT ex-Telecom	d=a-c	2,930	12,540	9,080	11,930	16,390	15,820	-3.5%
-Entities inside JPL	e=b-c		7,300	9,810	12,690	13,720	18,970	38.3%
-Entities outside JPL	f=d-e		5,240	(730)	(760)	2,670	(3,150)	NM
Digital EBIT ex-Telecom (% of total Digital EBIT)			5.9%	3.6%	4.0%	4.9%	4.0%	
EBITDA margin (%)								
Digital		33.3%	37.7%	40.2%	42.0%	42.6%	42.2%	
JPL consolidated			44.0%	47.9%	49.7%	50.2%	50.0%	
Jio standalone (Telecom)		39.8%	44.7%	49.0%	51.6%	52.6%	53.2%	
Digital EBIT ex-Telecom		9.3%	13.0%	10.5%	11.4%	11.8%	9.7%	
-Entities inside JPL			29.3%	28.6%	24.3%	23.2%	22.4%	
-Entities outside JPL			10.0%	6.2%	7.2%	7.4%	3.2%	

Source: Company, JM Financial

Jio's standalone 5G network carries ~60% of India wireless data traffic; has seen ~191mn users migrated to its 5G network at end-FY25

At end-FY25, Jio had ~191mn 5G users migrated to its 5G network (vs. ~108mn at end-FY24 for Jio; Bharti has ~135mn 5G subs for Bharti Airtel at end-FY25) aided by improving device ecosystem and the pan-India rollout of 5G. According to Ericsson Mobility Report, 5G subscriptions in India are expected to reach around 970mn by the end of 2030, accounting for 74% of mobile subscribers.

Jio's 5G network now carries almost ~45% of its wireless data (vs. ~30% at end FY24). Further, it highlighted that Jio is now the world's largest data operator carrying over 17exabytes of data traffic monthly and continues to have ~60% share of wireless data traffic in India (similar to its share at end-FY24); in the FY24 annual report, Jio had highlighted that it had built enough data capacity to serve over a billion Indians for their digital needs at homes, offices, and on-the-go. Also the Jio management has been highlighting that its 5G SA architecture has the ability to offer tailor-made network slices for different customer cohorts and use cases.

Jio's aggressive roll-out of JioAirFiber has led to Jio accounting for ~70% of total new homes addition in industry in FY25; reiterates 100mn homes target vs. ~18mn at end-Mar'25

Jio's aggressive rollout of JioAirFiber pan-India, particularly beyond top 1,000 cities to currently underserved semi urban/rural areas, has led to it connecting ~18mn homes with JioFiber/JioAirFiber at end-Mar'25 (and +20mn at end-Jun'25 vs ~12mn premises at end Mar'24 – Exhibit 9-11); Jio accounted for ~70% of total new addition in industry in FY25 as per TRAI data. It reiterated its target to connect 100mn homes through a combination of fibre and fixed wireless solutions.

Exhibit 8. Jio continues to lead home broadband segment led by robust 5G FWA and UBR rollouts

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Total Broadband (FTTH+5G FWA+UBR) subscriber base (mn)													
BSNL	4.19	4.19	4.20	4.23	4.22	4.24	4.24	4.26	4.28	4.34	4.32	4.32	4.35
Bharti	8.04	8.16	8.29	8.48	8.91	8.55	8.67	9.66	9.94	10.23	10.51	10.80	11.15
Jio	12.41	12.86	13.54	14.16	14.79	11.48	11.65	16.66	17.22	17.72	18.46	19.36	20.04
Others	17.2	16.8	16.8	16.8	16.7	16.7	16.9	16.9	16.9	17.0	17.1	16.0	16.0
Total	41.83	41.98	42.84	43.63	44.66	40.97	41.48	47.44	48.33	49.31	50.34	50.46	51.51
MoM change in Broadband (FTTH+5													
BSNL	0.01	0.00	0.01	0.03	-0.01	0.02	0.00	0.02	0.02	0.06	-0.02	0.00	0.03
Bharti	0.09	0.12	0.13	0.19	0.43	-0.36	0.12	0.99	0.28	0.28	0.28	0.29	0.35
Jio	0.41	0.45	0.68	0.62	0.63	-3.31	0.17	5.01	0.56	0.50	0.74	0.91	0.67
Others	0.01	-0.42	0.04	-0.05	-0.02	-0.04	0.22	-0.06	0.03	0.13	0.04	-1.09	-
Total	0.52	0.15	0.86	0.79	1.03	-3.69	0.51	5.96	0.89	0.97	1.04	0.11	1.05
Broadband (FTTH+5G FWA+UBR) Subscriber market share (%)													
BSNL	10.0%	10.0%	9.8%	9.7%	9.4%	10.3%	10.2%	9.0%	8.9%	8.8%	8.6%	8.6%	8.4%
Bharti	19.2%	19.4%	19.4%	19.4%	20.0%	20.9%	20.9%	20.4%	20.6%	20.7%	20.9%	21.4%	21.7%
Jio	29.7%	30.6%	31.6%	32.5%	33.1%	28.0%	28.1%	35.1%	35.6%	35.9%	36.7%	38.4%	38.9%
Others	41.1%	39.9%	39.2%	38.4%	37.5%	40.8%	40.8%	35.5%	34.9%	34.5%	33.9%	31.7%	31.0%

Source: TRAI, JM Financial.

Exhibit 9. Jio leads 5G FWA segment with ~80% subs market share

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Total 5G FWA subscriber base (mn)						
Jio*	4.84	5.24	5.57	6.14	5.85	6.11
Bharti	0.87	1.03	1.20	1.36	1.54	1.74
Total	5.72	6.27	6.77	7.50	7.40	7.85
MoM change in 5G FWA subscriber base (mn)						
Jio*		0.39	0.33	0.57	-0.29	0.25
Bharti		0.16	0.16	0.16	0.18	0.20
Total		0.55	0.50	0.73	-0.10	0.45
5G FWA Subscriber market share (%)						
Jio*	84.7%	83.5%	82.3%	81.9%	79.2%	77.8%
Bharti	15.3%	16.5%	17.7%	18.1%	20.8%	22.2%

Source: TRAI, JM Financial. Note: a) Above table excludes FWA-UBR subs from May'25 onwards as its now included in FTTH category from May'25; b) Jio reclassified 1.03mn "FWA-UBR" subs from FWA to FTTH category in May'25. Hence, adjusted for above reclassification, Jio continued to add robust 5G FWA subs additions at 0.74mn in May'25.

Exhibit 10. Jio records strong net home additions in "FTTH+UBR" segment driven by aggressive UBR rollouts

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Total FTTH Broadband (FTTH+UBR) subscriber base (mn)													
BSNL	4.19	4.19	4.20	4.23	4.22	4.24	4.24	4.26	4.28	4.34	4.32	4.32	4.35
Bharti	8.04	8.16	8.29	8.48	8.91	8.55	8.67	8.79	8.91	9.03	9.15	9.26	9.41
Jio	12.41	12.86	13.54	14.16	14.79	11.48	11.65	11.81	11.98	12.15	12.32	13.51	13.93
Others	17.2	16.8	16.8	16.8	16.7	16.7	16.9	16.9	16.9	17.0	17.1	16.0	16.0
Total	41.83	41.98	42.84	43.63	44.66	40.97	41.48	41.72	42.06	42.54	42.85	43.06	43.66
MoM change in FTTH Broadband (FTTH+UBR) subscriber base (mn)	1.14			1.75									
BSNL	0.01	0.00	0.01	0.03	-0.01	0.02	0.00	0.02	0.02	0.06	-0.02	0.00	0.03
Bharti	0.09	0.12	0.13	0.19	0.43	-0.36	0.12	0.12	0.12	0.12	0.12	0.11	0.15
Jio	0.41	0.45	0.68	0.62	0.63	-3.31	0.17	0.17	0.17	0.17	0.17	1.20	0.42
Others	0.01	-0.42	0.04	-0.05	-0.02	-0.04	0.22	-0.06	0.03	0.13	0.04	-1.09	-
Total	0.52	0.15	0.86	0.79	1.03	-3.69	0.51	0.25	0.34	0.48	0.31	0.22	0.60
FTTH Broadband (FTTH+UBR) Subscriber market share (%)													
BSNL	10.0%	10.0%	9.8%	9.7%	9.4%	10.3%	10.2%	10.2%	10.2%	10.2%	10.1%	10.0%	10.0%
Bharti	19.2%	19.4%	19.4%	19.4%	20.0%	20.9%	20.9%	21.1%	21.2%	21.2%	21.4%	21.5%	21.6%
Jio	29.7%	30.6%	31.6%	32.5%	33.1%	28.0%	28.1%	28.3%	28.5%	28.6%	28.7%	31.4%	31.9%
Others	41.1%	39.9%	39.2%	38.4%	37.5%	40.8%	40.8%	40.4%	40.2%	40.0%	39.8%	37.1%	36.6%

Source: TRAI, JM Financial. Note: a) From May'25 onwards FWA-UBR subs is included in FTTH category; b) TRAI has started reporting 5G FWA subs under MBB subs base from Nov'24 onwards (vs. earlier reporting under FTTH subs base); c) Jio and Bharti reported FTTH subs data for May'25, after not submitting same data from Dec'24 to Apr'25. Hence, the FTTH subs gain reflected in May'25 is equally spread over the last 6 months (Nov'24-May'25); d) Jio added 1.0mn FTTH subs over last 6 months excluding 1.03mn "FWA-UBR" subs reclassified from FWA to FTTH category in May'25

Exhibit 11. Jio gradually improves its active subs market share; VLR improved to ~97%

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
VLR (%)													
Bharti	98.9	99.1	99.2	99.3	99.5	99.0	99.2	99.9	99.9	100.0	98.9	99.1	99.2
Vodafone-Idea	86.6	85.8	85.3	84.5	85.0	84.7	85.2	85.4	85.2	85.4	85.1	84.6	84.5
Jio	92.5	92.6	93.9	95.8	97.5	97.0	95.8	95.7	95.4	96.0	96.6	97.3	97.4
BSNL	53.7	55.1	58.1	58.8	59.5	59.6	60.4	61.4	64.0	63.2	61.4	63.9	63.3
Total industry	90.7	90.6	91.2	91.9	92.7	92.3	92.2	92.5	92.6	92.9	92.6	93.0	93.1
BHL	100.8	100.4	102.4	101.2	102.5	102.4	102.5	102.4	102.6	102.9	101.6	101.1	99.9
Total EoP Active Subscriber base (mn)													
Bharti	385	384	382	381	383	380	382	387	388	390	386	387	388
Vodafone-Idea	188	185	183	180	179	177	177	176	175	175	174	173	173
Jio	441	441	443	444	448	447	446	446	446	451	457	462	464
BSNL	47	50	54	55	56	56	56	57	59	58	56	58	57
Total industry	1,061	1,060	1,062	1,060	1,067	1,061	1,060	1,065	1,068	1,074	1,073	1,080	1,083
BHL	30	30	30	30	30	30	30	30	30	31	30	30	30
MoM change in Active Subscriber base (mn)													
Bharti	0.7	-1.2	-1.7	-1.3	2.7	-3.0	1.7	4.7	1.4	1.5	-4.1	1.3	1.2
Vodafone-Idea	-2.7	-3.0	-2.6	-3.1	-0.7	-1.9	-0.4	-0.7	-0.5	-0.1	-1.1	-1.3	-0.2
Jio	4.0	-0.2	2.0	1.7	3.8	-1.1	-1.6	0.0	0.4	5.0	5.5	5.5	2.4
BSNL	-0.6	2.9	4.2	1.1	1.0	-0.1	-0.0	0.7	2.0	-0.7	-1.8	1.9	-0.8
Total industry	1.3	-1.5	2.0	-1.6	6.9	-6.1	-0.3	4.7	3.4	5.8	-1.6	7.4	2.6
BHL	-0.06	-0.34	0.22	-0.50	0.50	-0.16	0.15	0.15	0.19	0.30	-0.41	-0.13	-0.33
Active Subscriber market share (%)													
Bharti	36.3%	36.2%	36.0%	35.9%	35.9%	35.9%	36.0%	36.3%	36.3%	36.3%	35.9%	35.8%	35.8%
Vodafone-Idea	17.7%	17.5%	17.2%	16.9%	16.8%	16.7%	16.6%	16.5%	16.4%	16.3%	16.2%	16.0%	15.9%
Jio	41.6%	41.6%	41.7%	41.9%	42.0%	42.2%	42.0%	41.8%	41.7%	42.0%	42.6%	42.8%	42.9%
BSNL	4.4%	4.7%	5.1%	5.2%	5.3%	5.3%	5.3%	5.3%	5.5%	5.4%	5.3%	5.4%	5.3%

Source: TRAI, JM Financial.

Exhibit 12. Jio continues to record overall subs additions after witnessing churn post Jul'24 tariff hike; leads with subs market share of 41%

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Total Subscriber base (mn)													
Bharti	389	387	385	383	385	384	385	387	389	390	390	390	391
Vodafone-Idea	217	216	214	212	210	209	207	206	206	205	205	204	204
Jio	477	476	472	464	460	461	465	466	468	470	472	475	477
BSNL	88	91	93	94	95	94	93	93	92	92	92	91	91
Total industry	1,171	1,170	1,164	1,154	1,150	1,149	1,151	1,151	1,154	1,157	1,159	1,161	1,163
BHL	30	30	29	29	29	29	29	30	30	30	30	30	30
MoM change in subscriber base (mn)													
Bharti	1.3	-1.7	-2.4	-1.4	1.9	-1.1	1.0	1.7	1.6	1.3	0.2	0.3	0.8
Vodafone-Idea	-0.9	-1.4	-1.9	-1.6	-2.0	-1.5	-1.7	-1.3	-0.0	-0.5	-0.6	-0.3	-0.2
Jio	1.9	-0.8	-4.0	-8.0	-3.8	1.2	3.9	0.7	1.8	2.2	2.6	2.7	1.9
BSNL	-0.7	2.9	2.5	0.8	0.5	-0.3	-1.2	-0.4	-0.6	0.0	-0.2	-0.6	-0.5
Total industry	1.6	-0.9	-5.8	-10.1	-3.3	-1.8	2.0	0.6	2.8	2.9	1.9	2.1	2.0
BHL	0.13	-0.21	-0.37	-0.14	0.13	-0.12	0.10	0.17	0.14	0.21	-0.01	0.00	0.03
Total Subscriber market share (%)													
Bharti	33.2%	33.1%	33.1%	33.2%	33.5%	33.5%	33.5%	33.6%	33.7%	33.7%	33.6%	33.6%	33.6%
Vodafone-Idea	18.6%	18.5%	18.4%	18.4%	18.3%	18.2%	18.0%	17.9%	17.8%	17.7%	17.7%	17.6%	17.6%
Jio	40.7%	40.7%	40.5%	40.2%	40.0%	40.2%	40.4%	40.5%	40.5%	40.6%	40.8%	40.9%	41.0%
BSNL	7.3%	7.6%	7.8%	8.0%	8.0%	8.0%	8.0%	8.0%	7.9%	7.9%	7.8%	7.8%	7.8%

Source: TRAI, JM Financial.

Digital becoming a growth engine for the economy; Jio building a comprehensive AI ecosystem that democratizes computer access and develops indigenous AI capabilities

With ~950mn broadband users, India's digital economy is growing at a strong pace, driving economic growth, employment, and sustainable development. Digital economy is expected to grow at twice the pace of the overall economy and is likely to contribute to ~20% of the national income by 2030, as per government of India (GoI) estimates. Key drivers of India's digital economy growth include the rapid adoption of AI, cloud services, and the rise of global capability centres (GCCs) in the country.

Jio is actively partnering with the government's INDIAai mission to build a comprehensive AI ecosystem that democratizes computer access and develops indigenous AI capabilities. Jio is extending its leadership in technologies like 5G, fixed broadband and converged networks, to now address the huge opportunity provided by AI services.

With an aim to streamline AI adoption, Jio is developing a comprehensive suite of tools and platforms called JioBrain, a powerful AI service platform that can be offered to enterprises across industries. Jio also plans to leverage its expertise in infrastructure, networking, operations, software and data, and collaborate with its global partners to enable the world's lowest AI inferencing cost in India to make AI available Everywhere for Everyone.

Further Jio has launched: **a)** JioAICloud, a consumer cloud storage service; and **b)** JioPC a cloud-based scalable compute platform would make AI accessible across its customer base. Jio is also growing as an end-to-end managed services partner of enterprises offering best in industry scalable connectivity bundled with Cloud, IoT, Managed Wifi, Private 5G and host of industry specific solutions.

Further, Jio continues to work on future communication technologies and is actively doing R&D on 6G technology, aiming to be a global leader in its development and deployment. Further, Jio is also building its own satellite communication platform and partnering with SpaceX to offer Starlink's broadband internet services to its customers in India.

Exhibit 13. Digital business SCOT analysis

S	<p>STRENGTHS</p> <ul style="list-style-type: none"> • One of the most advanced and integrated connectivity networks globally. • Deepest digital and physical distribution footprint on a pan-India basis. • A complete suite of digital platforms across consumer and enterprise offerings.
C	<p>CHALLENGES</p> <ul style="list-style-type: none"> • Unforeseen disruptions in the global technology supply chain. • Need to drive the development of a robust device ecosystem across form factors to support future technologies. • Continued investment in creating relevant use cases and deepening user engagement across digital platforms.
O	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Jio's pan-India True5G network is well-positioned to lead the 5G transformation. • Jio's extensive fiber network and pioneering fixed wireless rollout are poised to connect 100 million premises with digital solutions. • Opportunity to advance compute infrastructure in India with AI.
T	<p>THREATS</p> <ul style="list-style-type: none"> • Disruptive technological changes could make current technologies obsolete. • The entry of a new disruptive player or price competition could impact long-term returns.

Source: Company

Retail business

The company reiterated the strong growth potential in India's retail sector – it highlights a recent report by BCG and Retailers Association of India, which projects India's retail sector to grow at a strong ~9% CAGR to an INR 190trln market by CY34 driven by favourable demographics, rising income levels, growing share of urbanisation, expanding female workforce, access to better education and aspirational lifestyle. Hence, it expects India to become the third-largest retail market by 2030. It also highlighted that the share of organised retail constitutes 18% of total retail market while the unorganised segment constitutes the remaining 82%.

Retail business capex rose to INR 337bn in FY25 vs. INR 245bn in FY24, but continues to have moderated vis-à-vis huge capex of INR 514bn in FY23

Reliance Retail's capex rose to INR 337bn in FY25 vs. INR 245bn in FY24, but continues to have moderated vis-à-vis huge capex of INR 514bn in FY23. Earlier, during FY24, Reliance Retail undertook an equity fund-raise of INR 178.1bn; it had previously raised INR 472bn during FY21.

Exhibit 14. Reliance Retail stake sale details

Date	Firm	Equity stake (on fully diluted basis)	Investment (INR bn)	Pre-money equity value (INR bn)
09-Sep-20	Silver Lake	1.75%	75.0	4,210
23-Sep-20	KKR	1.17%	55.5	4,210
30-Sep-20	General Atlantic	0.84%	36.8	4,285
30-Sep-20	Silver Lake	0.38%	18.8	4,285
01-Oct-20	Mubadala	1.40%	62.5	4,285
02-Oct-20	GIC	1.22%	55.1	4,285
03-Oct-20	TPG	0.41%	18.4	4,285
06-Oct-20	ADIA	1.20%	55.1	4,285
05-Nov-20	Saudi PIF	2.04%	95.6	4,587
23-Aug-23	Qatar Inv Authority	0.99%	82.8	8,278
11-Sep-23	KKR	0.25%	20.7	8,361
06-Oct-23	ADIA	0.59%	49.7	8,381
Total		12.24%	625.8	

Source: Company

Largest omni-channel retailer with integrated physical stores, digital and new commerce platforms

Reliance Retail has adopted a multichannel strategy through an integrated network of physical stores, digital commerce, and new commerce platforms to serve its customers across diverse consumption baskets.

IT added 2,659 gross new stores and 504 net new stores during FY25 (vs 1,840 gross new stores and 796 net new stores added in FY24), taking the total store count to 19,340 at end-FY25 while its total retail space area declined slightly to 77.4mn sqft at end-FY25 (vs. 79.1mn sqft at end-FY24) probably as a few larger stores got rationalised and replaced by smaller stores. The registered customer base grew ~15% YoY to 349mn at end-FY25 (vs 304mn at end FY24).

The Grocery business sustained strong growth, driven by the expansion of large-format stores and scale up of hyper-local deliveries. Growth across categories remained robust, with a particular focus on catalogue expansion in non-food segments via enhanced offerings in General Merchandise, Home & Personal Care, and Value Apparel. The Metro business continued strong growth through targeted initiatives for HoReCa and Trader channels.

The Consumer Electronics business operates via Reliance Digital and MyJio stores. The offline business experienced robust growth, driven by new product and brand launches and curated product assortment, leading to higher transactions and improved conversions. Further, the Own Brands business strengthened its portfolio with new offerings and a growing merchant network. JioMart Digital sustained its growth trajectory, driven by strong product demand and deeper engagement with merchant partners.

Reliance Retail is the largest fashion and lifestyle retailer in India and operates multiple retail formats to meet varied customer preference across segments and providing world-class shopping experience. The Apparel & Footwear segment delivered a steady performance supported by improved store experience and enhanced product assortment and via its fast fashion ecosystem with 'design-to-shelf' cycle of 30 days. AJIO maintained steady

performance, supported by an expanding product catalogue and introduction of new brands. Further, the Premium Brands business enriched its portfolio with new brand partnerships while focusing on global expansion of owned intellectual properties. The Jewellery business delivered steady growth, supported by higher value transactions and new product designs catering to special occasions.

The Consumer brands business continued to show strong growth across categories, driven by expanding product offerings and increasing market presence. The business continues to expand its portfolio, building a strong line-up of accessible and affordable brands across key categories of beverages, staples, packaged foods and home & personal care. Further, flagship brands such as Campa and Independence are gaining momentum across regions, strengthening their position in key categories and showing promising growth potential. Campa continued to gain traction across markets, registering >10% market share in the sparkling beverage category in select states. The business deepened its presence in General Trade by enhancing availability and reach across merchant outlets nationwide. Product innovation remained a key focus, with strategic acquisitions of Tagz Foods and the launch of new variants under Campa, Independence, Alan's, Enzo, Ravalgaon etc. to cater to evolving consumer preferences.

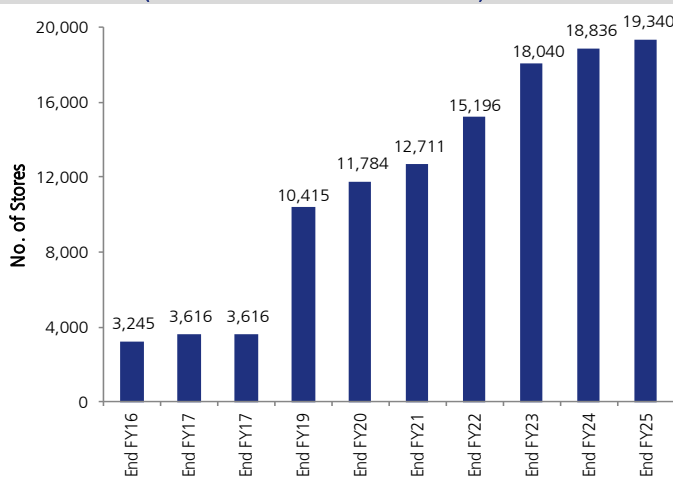
JioMart (multi-category digital commerce platform) expanded its product catalogue and seller network, enhancing customer offerings across diverse categories offering a seamless, fast, and convenient shopping experience. JioMart continued to scale its quick commerce delivery capability, evolving to meet consumer expectations while also ensuring efficient operations. Further, Milkbasket provides subscription-based service, allowing households to schedule daily deliveries of essential products with ease; it maintained strong growth momentum, driven by increasing customer adoption and consistent improvement in service offerings.

Exhibit 15. Reliance Retail business – key parameters

	FY21	FY22	FY23	FY24	FY25
Revenue (INR Bn)	1,549	1,993	2,603	3,068	3,308
EBITDA (INR Bn)	98	124	180	231	251
EBITDA margin (%)	6.3%	6.2%	6.9%	7.5%	7.6%
Total stores	12,711	15,196	18,040	18,836	19,340
Net Store additions (#)	404	2,485	2,844	796	504
Gross revenue per average store (INR Mn)	111	120	141	161	169
- YoY growth (%)	-15%	8%	18%	14%	5%
Area (mn sq ft)	33.8	41.6	65.6	79.1	77.4
Net area addition (mn sq ft)	5.1	7.8	24.0	13.5	-1.7
Store Footfalls (mn)			775	1,063	889
Registered Customer Base (mn)	156	193	249	304	349
No of Transactions (mn)			1,031	1,260	1,393
Digital & New Commerce - sales contribution (%)	10%	17%	18%	19%	18%

Source: Company

Exhibit 16. RIL Retail total store count increased by ~500 net new stores in FY25 (vs. ~800 net new stores in FY24)



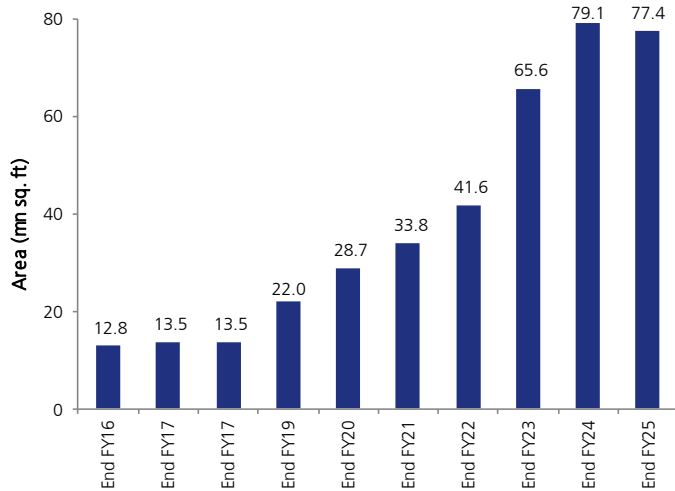
Source: Company, JM Financial.

Exhibit 17. RIL Retail average store area declined in FY25 due to stores rationalisation



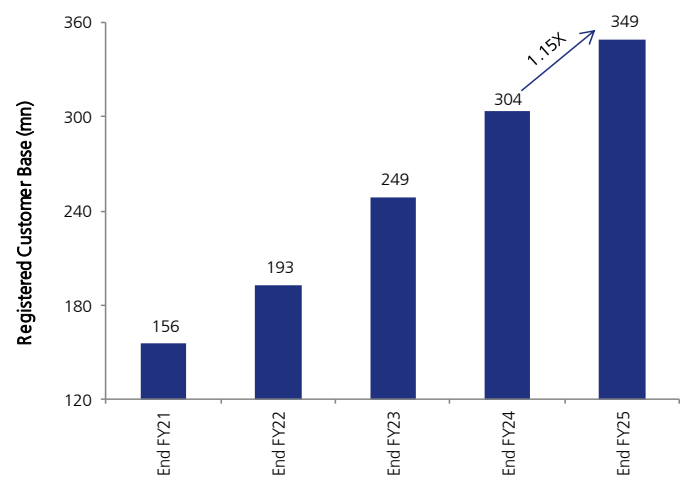
Source: Company, JM Financial.

Exhibit 18. RIL Retail total store area declined by 1.7mn sqft in FY25 on stores rationalisation



Source: Company, JM Financial.

Exhibit 19. RIL Retail registered customer base expanded 1.15x to 349mn in FY25



Source: Company, JM Financial.

Exhibit 20. Retail business SCOT analysis

S

STRENGTHS

- Largest omni-channel retailer with seamless integration of stores, digital, and new commerce platforms
- Expansive customer base with >349 million registered customers.
- Deep insights into evolving consumer behaviour and shopping preferences
- Strong product design and innovation capabilities across diverse categories
- Robust sourcing network encompassing MSMEs, national, and international suppliers
- Preferred partner for global brands, offering the widest portfolio of international labels
- Extensive supply chain enabling nationwide product delivery within 24–48 hours

C

CHALLENGES

- Upward pressure on rentals due to demand-supply mismatch for high quality real estate
- Availability of trained manpower to support rapid expansion

O

OPPORTUNITIES

- Rising consumer aspirations and growing disposable incomes present significant growth potential
- Accelerating the growth of own brands and exclusive brand partnerships
- Leveraging AI and data analytics for personalised customer engagement and operational efficiency
- Expanding into emerging segments and scale up regional brands

T

THREATS

- Macroeconomic factors affecting consumer spending patterns

Source: Company

Capex and Debt details

Capex moderated slightly to INR 1,311bn in FY25 (vs. INR 1,318bn in FY24) as:

- Digital business capex declined to INR 384bn in FY25 (vs. INR 574bn in FY24); while
- Retail business capex increased to INR 337bn in FY25 (vs. INR 245bn in FY24); and
- O2C business capex went up to INR 266bn in FY25 (vs. INR 203bn in FY24).

Exhibit 21. RIL's segment-wise break-up of consolidated capex and EBITDA break-up

INR Bn	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
Capex break-up															
O2C	441	352	243	156	181	79	79	191	203	266	268	215	150	152	153
E&P	97	62	-13	59	31	39	55	47	34	12	12	12	12	12	13
Retail	3	8	48	50	93	103	299	514	245	337	156	176	150	137	146
Digital services (including spectrum)		682	481	795	390	360	827	1,522	574	384	418	425	528	569	597
New Energy											250	250	250	250	250
Financial Services				-	-	0	0	-	-	-	-	-	-	-	-
Others	508	29	82	158	107	183	136	47	237	251	150	150	150	150	150
Unallocable	81	15	-49	17	3	33	57	33	25	61	61	61	61	61	61
Total	1,130	1,147	793	1,235	805	797	1,454	2,355	1,318	1,311	1,316	1,289	1,302	1,331	1,370
EBITDA break-up															
O2C	405	451	549	639	538	382	527	621	624	550	629	685	813	859	883
E&P	69	13	17	16	4	3	55	136	202	212	197	189	182	175	168
Retail	9	12	25	62	97	98	124	180	231	251	287	330	377	392	429
Digital services	0	-0	67	153	233	340	403	503	567	650	762	945	1,132	1,440	1,610
Financial Services				2	8	13	-	-	-	-	-	-	-	-	-
Others	13	17	26	28	40	50	71	56	85	85	0	0	0	0	0
Unallocable	12	34	28	-24	7	-7	-52	-62	-21	-23	-8	-8	-8	-8	-8
Total	507	525	712	877	927	879	1,128	1,433	1,687	1,725	1,866	2,141	2,496	2,858	3,083

Source: Company, JM Financial Note Digital capex includes spectrum liability

Gross and net-debt details: The company had gross debt of INR 3,475bn and cash and cash equivalents of INR 2,304bn at end-FY25, resulting in a consolidated reported net debt position of INR 1,171bn at end-FY25 or 0.7x reported net debt to EBITDA. However, as per our calculations, adjusted net debt (including spectrum and other liabilities) was at ~INR 3,046bn or comfortable 1.8x adjusted net debt to EBITDA (vs. INR 2,657bn at end-FY24) – Exhibit 22.

We expect the capex run-rate to remain around FY25 level of ~INR1,300bn going forward, with rise in New Energy capex (assumed at annual run-rate of ~INR 250bn) offset by moderation in Retail and other businesses.

Hence, we expect RIL's net debt to having peaked and decline gradually as capex is likely to get fully funded via a gradual rise in internal cash generation. We expect RIL's adjusted net debt to have already peaked at ~INR 3,046bn, or comfortable 1.8x adjusted net debt to EBITDA, at end-FY25 before moderating to ~INR 2,110bn, or 1.0x adjusted net debt to EBITDA, by end-FY27. We draw comfort from RIL's guidance that reported net debt to EBITDA is likely to remain below 1x (vs. 0.7x by end-FY25).

Exhibit 22. RIL's consolidated debt break-up details

INR bn	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
Reported Gross debt	1,807	1,966	2,188	2,875	3,363	2,518	2,663	3,140	3,246	3,475	3,426	3,351	3,332	3,342	3,367
Less: Cash and cash equivalent	900	772	781	1,330	1,753	2,540	2,315	1,882	2,083	2,304	2,104	2,127	2,475	3,092	3,897
Reported Net debt	907	1,194	1,407	1,545	1,610	-22	348	1,257	1,163	1,171	1,322	1,224	858	251	-530
Other liabilities															
Other non-current financial liabilities*	22	90	85	100	113	151	126	86	101	166	166	166	166	166	166
Deferred payment liabilities (Spectrum)	133	201	202	188	188	188	372	1,128	1,083	1,044	1,044	1,044	1,044	1,044	1,044
Other current financial liabilities**	741	916	880	580	500	436	445	685	556	571	400	240	228	217	206
Other current liabilities***	100	209	432	529	476	330	216	429	552	901	541	243	219	219	219
Less: Other current assets ***	-163	-199	-328	-368	-328	-824	-712	-695	-798	-807	-807	-807	-807	-726	-654
Other liabilities	833	1,218	1,272	1,030	950	282	448	1,634	1,494	1,875	1,343	886	850	919	981
Adjusted Gross debt (incl other liabilities)	2,639	3,184	3,459	3,905	4,313	2,800	3,111	4,773	4,741	5,351	4,769	4,237	4,182	4,261	4,347
Adjusted Net Debt (incl other liabilities)	1,740	2,412	2,679	2,574	2,560	260	795	2,891	2,657	3,046	2,666	2,110	1,707	1,169	450
Other details															
Equity	2,316	2,637	2,935	3,871	4,492	7,002	7,795	7,159	7,935	8,432	9,025	9,749	10,662	11,743	12,921
EBITDA	507	525	712	877	927	879	1,128	1,433	1,687	1,725	1,866	2,141	2,496	2,858	3,083
PAT	299	299	361	398	394	491	607	667	696	696	834	974	1,175	1,351	1,461
CF0 (after working capital changes)	381	496	715	423	949	262	1,107	1,150	1,588	1,787	1,587	1,812	2,094	2,358	2,568
FCF	-88	-286	-25	-513	184	-797	105	-260	59	387	271	523	792	1,027	1,198
Capex	1,130	1,147	793	1,235	805	797	1,454	2,355	1,318	1,311	1,316	1,289	1,302	1,331	1,370
Reported Net Debt to Equity (x)	0.4	0.5	0.5	0.4	0.4	-0.0	0.0	0.2	0.1	0.1	0.1	0.1	0.1	0.0	-0.0
Adjusted Net Debt to Equity (x)	0.8	0.9	0.9	0.7	0.6	0.0	0.1	0.4	0.3	0.4	0.3	0.2	0.2	0.1	0.0
Reported Net Debt to EBITDA (x)	1.8	2.3	2.0	1.8	1.7	-0.0	0.3	0.9	0.7	0.7	0.7	0.6	0.3	0.1	-0.2
Adjusted Net Debt to EBITDA (x)	3.4	4.6	3.8	2.9	2.8	0.3	0.7	2.0	1.6	1.8	1.4	1.0	0.7	0.4	0.1

Source: Company, JM Financial *Interest accrued but not due on deferred payment liabilities, deposits and creditors for capex; **Creditor for capex, security deposits; ***Statutory dues; ****Balance with tax authorities, prepaid expense, deposits, advance to vendors and claims receivable

Key Assumptions and Estimates

Exhibit 23. Key assumptions

	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Brent crude price (USD/bbl)	80.0	95.4	83.1	78.9	70.0	70.0	70.0
Exchange rate (INR/USD)	74.5	80.4	82.8	84.6	87.1	88.8	90.6
Refining							
EBITDA (INR Bn)	279	412	379	283	353	360	367
Crude throughput	67.8	67.1	67.8	70.0	68.9	68.9	68.9
Margins (USD/bbl)							
S'pore Dubai GRM	5.0	10.7	6.6	3.8	5.5	5.5	5.5
RIL's total GRM premium	4.5	2.0	4.6	4.7	4.5	4.5	4.5
a) RIL normal GRM premium	4.0	1.3	3.6	3.7	3.5	3.5	3.5
b) Petcoke gasification addition to GRM	0.5	0.8	1.0	1.0	1.0	1.0	1.0
RIL's total GRM	9.5	12.7	11.2	8.5	10.0	10.0	10.0
Refining cash opex	2.0	2.3	2.0	2.0	2.0	2.0	2.0
Refining EBITDA	7.5	10.4	9.2	6.5	8.0	8.0	8.0
Petrochemicals							
EBITDA (INR Bn)	249	208	245	267	276	325	446
EBITDA/ton (USD/ton)	206	175	205	206	204	220	231
Sales volumes (mmtpa)							
Polymers	5.8	5.7	5.6	6.0	6.1	6.5	7.8
Polyesters	3.2	3.2	3.2	3.7	3.7	4.0	4.8
Fiber intermediaries	6.3	5.1	4.7	4.7	4.7	5.3	7.8
Sales volumes (mmtpa)	16.2	14.8	14.4	15.3	15.5	16.7	21.3
E&P							
EBITDA (INR Bn)	55	136	202	212	197	189	182
Gas and condensate production (mmscmd)	18	20	31	32	29	27	26
Gas realisation (USD/mmbtu)	6.3	11.0	10.2	9.7	9.5	9.5	9.5
Digital							
EBITDA (INR Bn)	403	503	567	650	762	945	1,132
EBITDA margin (%)	47.6%	49.5%	49.9%	50.0%	49.8%	48.9%	48.3%
Wireless segment							
Subscribers (mn - EoP)	410	439	482	490	520	548	557
ARPU (INR)	153	178	181	196	222	248	279
FTTH segment							
Subscribers (mn - EoP)	5	8	11	18	31	48	61
ARPU (INR)	529	528	498	483	489	495	495
Retail							
Revenue (INR Bn)	1,993	2,603	3,068	3,308	3,781	4,341	5,001
EBITDA (INR Bn)	124	180	231	251	287	330	377
EBITDA margin (%)	6.2%	6.9%	7.5%	7.6%	7.6%	7.6%	7.5%
Total stores	15,196	18,040	18,836	19,340			
Net Store additions (#)	2,485	2,844	796	504	568	579	591
Gross revenue per average store (INR Mn)	120	141	161	169	187	209	234
- YoY growth (%)	8%	18%	14%	5%	11%	12%	12%
Area (mn sq ft)	41.6	65.6	79.1	77.4			
Net area addition (mn sq ft)	7.8	24.0	13.5	-1.7			
Store Footfalls (mn)		775	1,063	889			
Registered Customer Base (mn)	193	249	304	349			
No of Transactions (mn)		1,031	1,260	1,393			
Digital & New Commerce - sales contribution (%)	17%	18%	19%	18%			
EBITDA break-up (INR Bn)							
O2C	527	621	624	550	629	685	813
E&P	55	136	202	212	197	189	182
Digital	403	503	567	650	762	945	1,132
Retail	124	180	231	251	287	330	377
Financial Services & Others	19	-6	64	63	-8	-8	-8
Total	1,128	1,433	1,687	1,725	1,866	2,141	2,496
Energy business	582	757	826	762	826	874	995
Non-energy business (incl others)	546	677	861	964	1,040	1,267	1,501
EBITDA proportion							
O2C	47%	43%	37%	32%	34%	32%	33%
E&P	5%	9%	12%	12%	11%	9%	7%
Digital	36%	35%	34%	38%	41%	44%	45%
Retail	11%	13%	14%	15%	15%	15%	15%
Financial Services & Others	2%	0%	4%	4%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%
Energy business	52%	53%	49%	44%	44%	41%	40%
Non-energy business (incl others)	48%	47%	51%	56%	56%	59%	60%

Source: Company, JM Financial

Valuation

Our 1 year target Price for RIL of INR 1,700/share (and 3 year TP of INR 2,040) is computed on a sum-of-the-parts (SOTP) valuation method:

- a) Petchem segment at an EV of INR 214/share based on 7.5x Sep'27EV/EBITDA;
- b) Refining segment at an EV of INR 201/share based on 7.5x Sep'27 EV/EBITDA;
- c) E&P segment at an EV of INR 69/share based on 6.0x Sep'27 EV/EBITDA;
- d) Digital segment (RIL's 67.05% stake in JPL) at an EV of INR 607/share comprising: i) Telecom business at INR 594/share based on DCF valuation; implied valuation of ~10.5x Mar'27 EV/EBITDA; and ii) Digital opportunities at INR 57/share based on potential monetisation of Video OTT apps, audio OTT and Consumer IoT business.
- e) Retail business (RIL's 83.0% stake) at an EV of INR 541/share based on 25x Sep'27 EBITDA.
- f) New Energy business at an EV of INR 83/share (based on 1.5x announced capex of INR 750bn) and other investments at INR 37/share (listed investment, Disney Viacom JV and Real estate investment).

We reiterate BUY (unchanged TP of INR 1,700) as we believe RIL has industry leading capabilities across businesses to drive robust 15-20% EPS CAGR over the next 3-5 years, particularly driven by both consumer businesses with Jio's ARPU is expected to rise at 13% CAGR over FY25-28 with ARPU being on a structural uptrend given the industry structure, future investment needs, and the need to avoid a duopoly market. At CMP, the stock is trading at FY27E P/E of 19.2x (3-yr avg: 24.7x) and FY27E EV/EBITDA of 10.2x (3-yr avg: 12.6x).

Exhibit 24. RIL Sum-of-the-parts valuation - our 1-year target price for RIL is INR 1,700/share

Business segment	Valuation methodology	Sep'27 EBITDA (INR Bn)	Valuation multiple	Valuation (INR bn)	Valuation (USD bn)	Valuation (INR/share)	Comments
Energy business				6,546	77	484	
Petchem	EV/ EBITDA	386	7.5	2,892	34	214	Valued at 7.5x Sep'27 EV/EBITDA
Refining	EV/ EBITDA	363	7.5	2,726	32	201	Valued at 7.5x Sep'27 EV/EBITDA
E&P	EV/ EBITDA	186	5.0	928	11	69	Valued at 5x Sep'27 EV/EBITDA
Digital business (for RIL's 67.05% stake)				8,812	104	651	
a) Telecom business	DCF			8,036	95	594	Based on DCF valuation;COE 13.5% and WACC of 11%; implied valuation of ~11x Sep'27 EV/EBITDA
b) Digital opportunities				775	9	57	JPL investments at book value - Monetization of Video OTT apps, JioSaavn and Consumer IoT business etc
Retail business (for RIL's ~83% stake)	EV/ EBITDA			7,328	87	541	Valued at 25x Sep'27 EV/EBITDA, based on peers valuation range; D-Mart trades at +35x
New Energy business				1,125	13	83	At 1.5x announced capex of INR 750bn
Other investments				500	6	37	Listed equity / Disney Viacom JV / Real estate investment
Total Enterprise Value				24,311	287	1,797	
Less: Net Debt				1,306	15	96	
Total Equity Value				23,005	272	1,700	

Source: JM Financial

Exhibit 25. RIL Sum-of-the-parts valuation – our 3-year target price for RIL is INR 2,040/share

Business segment	Valuation methodology	EBITDA (INR Bn)	Valuation multiple	Valuation (INR bn)	Valuation (USD bn)	Valuation (INR/share)	Comments
Energy business				7,389	87	544	
Petchem	EV/ EBITDA	493	7.5	3,695	44	273	Valued at 7.5x Sep'27 EV/EBITDA
Refining	EV/ EBITDA	378	7.5	2,836	34	210	Valued at 7.5x Sep'27 EV/EBITDA
E&P	EV/ EBITDA	172	5.0	858	10	62	Valued at 5x Sep'27 EV/EBITDA
Digital business (for RIL's 67.05% stake)				10,301	122	761	
a) Telecom business	DCF			9,342	110	690	Based on DCF valuation;COE 13.5% and WACC of 11%; implied valuation of 9.2x Sep'29 EV/EBITDA
b) Digital opportunities				960	11	71	JPL investments at book value - Monetization of Video OTT apps, JioSaavn and Consumer IoT business etc
Retail business (for RIL's ~83% stake)	EV/ EBITDA			8,524	101	630	Valued at 25x Sep'29 EV/EBITDA, based on peers valuation range; D-Mart trades at +30x
New Energy business				1,500	18	111	At 2x announced capex of INR 750bn
Other investments				500	6	37	Listed equity / Disney Viacom JV / Real estate investment
Total Enterprise Value				28,213	334	2,083	
Less: Net Debt				566	7	42	
Total Equity Value				27,647	327	2,040	

Source: JM Financial

Risks along with EPS and valuation sensitivity

a) **Refining margin sensitivity:** Every USD 1/bbl increase/decrease in GRM has a positive/negative impact of 2% of our valuation, 4% of our FY26E EPS, and 2% of our FY26E EBITDA. An unexpected decline in refining margin could have a negative impact on RIL's earnings and valuation.

b) **Petchem margin sensitivity:** Every USD 20/tonne increase/decrease in EBITDA margin has a positive/negative impact of 1% of our valuation, 2% of our FY26E EPS, and 1% of our FY26E EBITDA. An unexpected slide in petchem EBITDA margin could hurt RIL's earnings and valuation.

c) **Retail margin sensitivity:** Every 50bps increase/decrease in retail EBITDA margin has a positive/negative impact of 3% of our valuation, 2% of our FY26E EPS, and 1% of our FY26E EBITDA. Any downside to retail profitability could have a negative impact on RIL's earnings and valuation.

d) **ARPU and subscriber sensitivity:** Every INR 10 increase/decrease in ARPU has a positive/negative impact of 1% of our valuation and 2% of our FY26E EPS and FY26E EBITDA. Every 20mn increase/decrease in subscribers has a positive/negative impact of 1% of our valuation, FY26E EPS and FY26E EBITDA. Lower-than-expected ARPU and subscriber growth could have a negative impact on RIL's earnings and valuation.

Exhibit 26. RIL Earnings and valuation sensitivity

	FY26E Base case assumption	Change	Impact on FY26 EBITDA		Impact on FY26 EPS		Impact on TP	
			INR bn	% change	INR	% change	INR	% change
GRM (USD/bbl)	10.0	+/- USD 1/bbl	43	2%	2.4	4%	28	2%
Petchem EBITDA margins (USD/ton)	204	+/- USD 20/tn	26	1%	1.5	2%	18	1%
Retail EBITDA margins (%)	7.6%	+/- 0.5%	24	1%	1.3	2%	43	3%
Jio wireless ARPU	222	+/- INR 10	33	2%	1.3	2%	12	1%
Jio wireless subscriber (mn)	520	+/-20mn	15	1%	0.6	1%	15	1%
Base case			1,866		62		1,700	

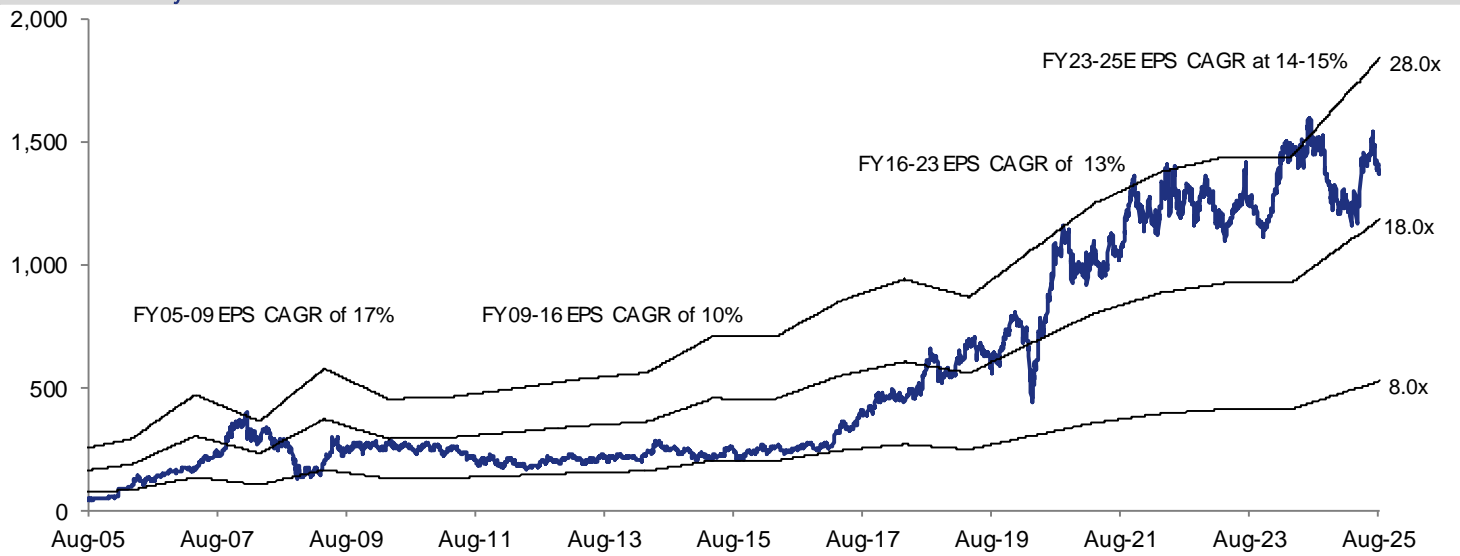
Source: JM Financial

Exhibit 27. RIL's FI and DII shareholding trend: FI stake up 8bps QoQ in 1QFY26 after declining since Mar'21 while DII stake continues to rise; total FI+DII stake up 43bps QoQ at 40.7% at end Jun'25 (but still down from last 1-year peak of 41.2% in Jun'24)

Month	FI's Stake (%)	DII's Stake (%)	Total FI's + DII's Stake (%)	Total Promoters Stake (%)	RIL's Share Price (INR)
30-Jun-19	26.7	11.4	38.2	46.2	563
30-Sep-19	26.1	14.0	40.1	48.9	599
31-Dec-19	26.8	13.4	40.2	48.9	681
31-Mar-20	26.4	13.5	39.9	48.9	500
30-Jun-20	27.0	13.2	40.1	49.2	773
30-Sep-20	27.7	12.8	40.5	49.1	1,014
31-Dec-20	27.8	12.5	40.3	49.1	901
31-Mar-21	28.3	12.3	40.6	49.1	909
30-Jun-21	27.8	12.7	40.5	49.1	958
30-Sep-21	28.1	12.8	40.9	49.1	1,143
31-Dec-21	27.5	13.2	40.7	49.1	1,075
31-Mar-22	27.1	13.8	40.9	49.1	1,196
30-Jun-22	26.7	14.2	40.9	49.1	1,178
30-Sep-22	26.3	14.6	40.9	49.1	1,079
31-Dec-22	26.1	14.9	41.0	49.1	1,157
31-Mar-23	25.0	15.7	40.8	49.1	1,058
30-Jun-23	25.1	15.8	40.9	49.1	1,158
30-Sep-23	24.9	15.7	40.6	49.1	1,173
31-Dec-23	24.5	16.3	40.8	49.1	1,292
31-Mar-24	24.5	16.7	41.1	49.1	1,486
30-Jun-24	24.2	17.0	41.2	49.1	1,565
30-Sep-24	23.6	17.3	40.9	49.1	1,477
29-Oct-24	22.5	17.9	40.4	49.1	1,340
31-Dec-24	21.4	18.7	40.1	49.1	1,215
31-Mar-25	21.2	19.1	40.3	49.1	1,275
30-Jun-25	21.3	19.4	40.7	49.1	1,501

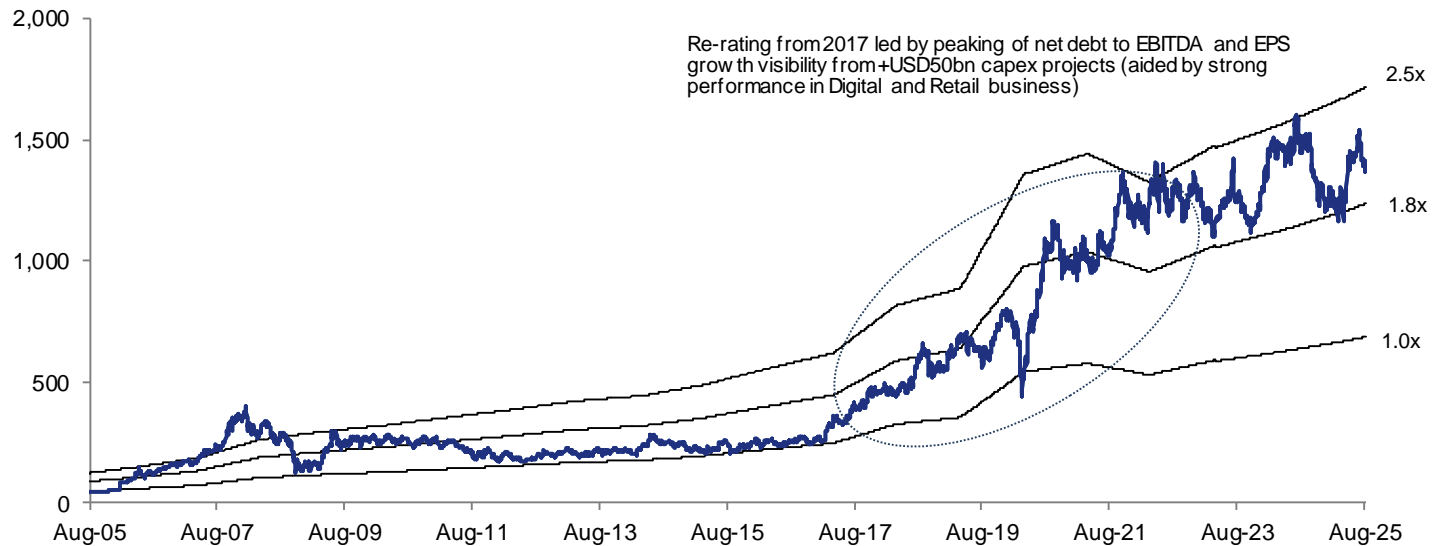
Source: Capitaline

Exhibit 28. RIL 1-year forward PE band



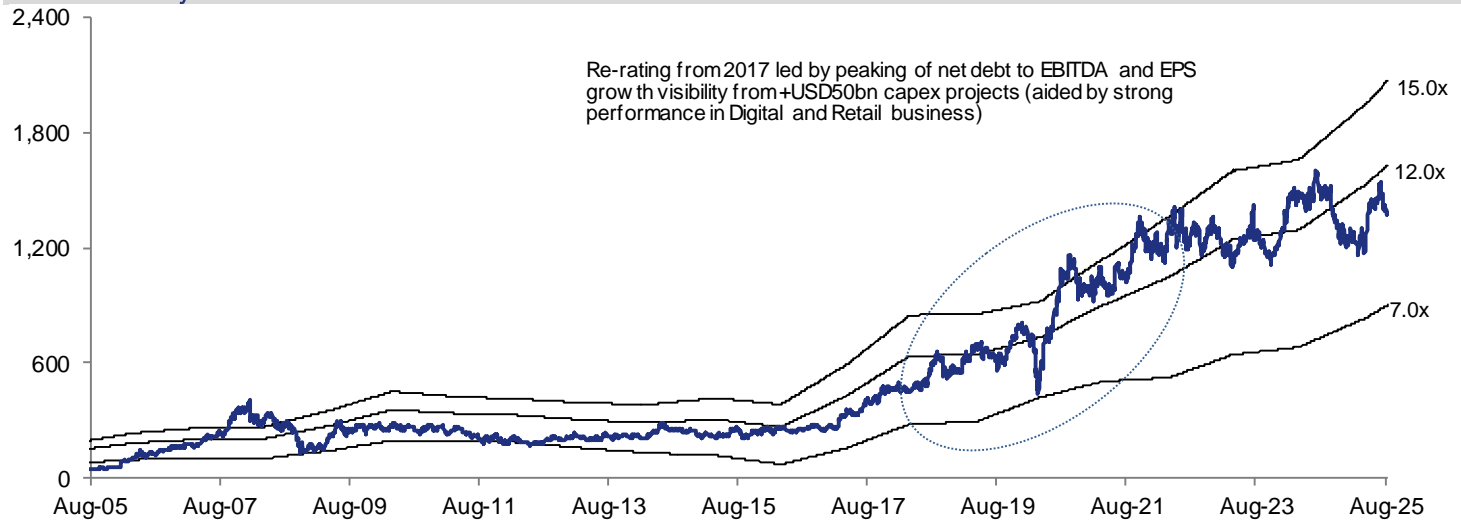
Source: JM Financial, Bloomberg

Exhibit 29. RIL 1-year forward PB band



Source: JM Financial, Bloomberg

Exhibit 30. RIL 1-year forward EV-EBITDA band



Source: JM Financial, Bloomberg

Exhibit 31. Global telecom and digital companies valuations

Company	EV/EBITDA (x)			P/E (x)			P/B (x)			EBITDA Margins (%)			ROE (%)		
	CY24/FY25	CY25/FY26	CY26/FY27	CY24/FY25	CY25/FY26	CY26/FY27	CY24/FY25	CY25/FY26	CY26/FY27	CY24/FY25	CY25/FY26	CY26/FY27	CY24/FY25	CY25/FY26	CY26/FY27
Bharti Airtel	14.0	11.7	10.1	29.9	38.4	27.1	9.3	8.2	6.8	53.9	56.1	57.2	34.3	22.6	27.9
Bharti Hexacom	19.2	17.8	14.5	49.0	43.4	29.4	12.3	11.9	9.6	49.1	52.5	55.8	28.3	29.6	35.4
Jio (JMFe)	18.8	14.4	11.4	40.2	29.3	19.9	4.1	3.6	3.1	53.2	51.9	51.7	10.4	13.2	16.7
Vodafone Idea	15.0	14.0	11.6	NM	NM	NM	NM	NM	NM	41.7	43.4	46.0	NM	NM	NM
Indian telcos average	16.7	14.5	11.9	39.7	37.0	25.5	8.6	7.9	6.5	49.5	51.0	52.7	24.3	21.8	26.7
AT&T	7.1	7.4	7.2	10.2	13.7	12.8	1.6	1.8	1.7	37.1	37.0	37.7	10.3	13.3	13.4
T-Mobile	10.1	10.7	9.9	22.3	23.0	19.2	4.1	4.7	4.8	43.9	38.8	39.9	17.9	20.1	24.4
Verizon	6.4	7.4	6.3	8.4	13.7	9.0	1.7	1.8	1.6	38.6	36.4	36.7	18.3	13.3	17.7
US telcos average	7.9	8.5	7.8	13.6	16.8	13.7	2.5	2.8	2.7	39.8	37.4	38.1	15.5	15.6	18.5
Deutsche Telekom	6.2	6.9	6.5	12.7	15.4	13.9	2.2	2.3	2.2	43.3	37.8	39.1	18.5	14.3	15.3
Orange	4.7	6.2	5.7	13.0	17.3	11.8	1.0	1.2	1.2	33.7	30.8	32.7	8.1	6.1	9.2
Telefonica	6.2	6.0	6.0	71.6	13.8	12.7	1.9	1.4	1.4	27.1	32.7	32.5	2.4	6.0	9.7
Telenor	7.5	9.0	8.8	9.4	18.8	16.9	2.3	3.4	3.4	44.5	44.5	45.1	26.1	17.4	20.7
Vodafone Plc	5.6	5.3	5.1	11.9	11.5	10.5	0.4	0.5	0.5	27.8	28.6	29.0	(7.4)	3.7	4.2
BT Group	4.2	5.1	5.1	12.6	11.4	11.6	0.9	1.6	1.6	36.6	40.4	41.1	6.3	13.2	12.6
Europe telcos average	5.7	6.4	6.2	21.9	14.7	12.9	1.4	1.7	1.7	35.5	35.8	36.6	9.0	10.1	11.9
China Mobile	3.7	6.5	4.4	11.2	9.2	11.4	1.1	1.7	1.2	32.1	32.8	32.6	10.1	18.8	10.5
China Telecom	2.7	4.3	4.1	12.7	14.8	13.6	0.9	1.1	1.1	26.6	26.8	26.9	7.4	7.6	7.9
China Unicom	1.9	2.6	2.6	10.4	13.1	12.0	0.6	0.8	0.8	25.5	25.4	25.0	5.8	5.9	6.2
China telcos average	2.8	4.5	3.7	11.4	12.4	12.3	0.9	1.2	1.0	28.1	28.3	28.2	7.8	10.8	8.2
KT Corp	4.1	2.6	3.9	23.0	13.1	8.9	0.7	0.8	0.8	17.7	22.8	21.5	2.8	5.9	8.5
LG Uplus	3.1	3.7	3.1	11.9	7.8	8.7	0.5	0.8	0.7	24.1	24.2	24.1	4.4	10.6	8.0
SK Telecom	3.7	4.1	3.8	9.6	16.6	10.1	1.0	1.0	1.0	30.8	28.5	30.2	10.7	6.3	9.9
Korea telcos average	3.6	3.5	3.6	14.8	12.5	9.2	0.7	0.9	0.8	24.2	25.2	25.3	6.0	7.6	8.8
Celcom Digi	9.9	9.7	9.5	30.9	24.5	22.1	2.6	2.8	2.8	44.0	46.1	46.6	8.5	11.1	12.3
Telekom Malaysia	6.2	6.5	6.3	12.6	16.1	15.2	2.5	2.5	2.4	38.1	38.4	38.6	20.9	16.1	15.8
Malaysia telcos average	8.1	8.1	7.9	21.8	20.3	18.7	2.6	2.7	2.6	41.0	42.3	42.6	14.7	13.6	14.1
Advanced Info	9.4	9.0	8.8	24.3	21.3	19.6	8.8	8.7	8.4	52.3	53.1	53.6	37.4	42.2	43.4
Chungwa Telecom	11.1	11.6	11.3	25.7	27.4	26.7	2.5	2.7	2.7	37.6	37.8	37.8	9.7	10.0	10.3
Converge ICT	6.4	4.5	4.0	10.8	8.6	7.6	2.3	1.7	1.5	57.9	60.7	60.7	20.9	20.7	19.7
Globe Telecom	7.5	6.8	6.6	13.8	11.6	10.6	1.9	1.4	1.3	49.1	47.7	47.5	14.1	13.1	13.9
Indosat	5.1	4.6	4.4	16.3	13.9	12.1	2.4	2.0	1.9	47.3	47.7	48.1	15.3	13.8	14.9
MTN Group	5.1	4.8	4.2	93.9	14.5	11.6	1.3	2.2	2.0	31.3	43.1	44.5	NM	NM	NM
Singtel	14.0	19.5	18.5	14.1	24.2	20.8	2.3	2.5	2.5	33.7	27.5	28.0	16.5	12.6	12.0
Taiwan Mobile	10.4	10.9	10.6	24.8	22.3	21.8	4.0	3.7	3.7	21.3	21.2	21.0	16.2	17.3	18.0
Telecom Indonesia	4.4	5.4	5.2	11.4	14.4	13.7	1.9	2.3	2.2	50.3	50.1	50.3	17.0	15.9	16.1
XL Axiata	4.1	4.9	4.5	16.2	18.1	19.3	1.1	1.2	1.2	53.0	50.0	50.6	6.9	5.4	6.8
Other regional telcos average	7.7	8.2	7.8	25.1	17.6	16.4	2.9	2.8	2.7	43.4	43.9	44.2	17.1	16.8	17.2
Global telcos average	7.8	8.0	7.3	22.5	18.3	15.5	2.7	2.8	2.6	38.9	39.1	39.7	14.0	14.0	15.3

Source: Bloomberg, JM Financial, Company.

Exhibit 32. Global petchem companies valuation snapshot

Company	EV/EBITDA (x)			EBITDA Margins (%)			P/E (x)			P/B (x)			ROE (%)			
	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	
Global (ex Asia) peers																
Dow	5.9	10.0	7.7	12.7	7.9	9.9	11.8	#N/A	N/A	63.3	0.9	0.9	1.0	7.3	-4.7	-0.8
Du Pont	11.6	10.8	10.2	25.3	26.1	26.6	18.7	16.6	15.2	1.3	1.3	1.3	6.8	7.8	7.7	
Wacker Chemie	6.1	7.4	5.8	13.0	11.1	13.3	14.8	59.8	18.3	0.7	0.7	0.7	4.9	1.2	3.6	
Johns on Matthey	6.8	6.7	7.3	16.4	17.6	15.2	12.8	11.3	13.0	1.4	1.2	1.3	14.1	13.4	15.4	
BASF	8.0	8.3	7.6	12.1	11.8	12.6	15.6	17.0	14.1	1.2	1.2	1.2	6.4	6.0	7.5	
Indorama ventures	8.5	7.8	7.2	8.2	9.5	10.2	NM	NM	11.0	0.9	0.9	0.9	-12.0	5.0	7.7	
SABIC	9.1	10.4	8.7	15.2	13.7	15.7	36.0	68.4	31.9	1.0	1.2	1.2	2.9	1.4	3.7	
Eastman Chemical Co	7.0	8.0	7.2	18.9	17.1	18.5	8.7	10.9	9.2	1.4	1.3	1.2	15.2	11.3	13.3	
Olin Corp	6.1	7.3	5.9	13.3	10.5	12.7	23.1	170.5	16.5	1.2	1.3	1.2	5.1	0.9	7.2	
AKZO Nobel	9.5	9.4	8.9	13.9	14.3	15.1	13.8	13.7	12.3	2.1	2.0	1.9	14.5	13.5	16.2	
Global (ex Asia) peers average	7.9	8.6	7.6	14.9	13.9	15.0	17.3	46.0	20.5	1.2	1.2	1.2	6.5	5.6	8.1	
Asian peers																
Mitsubishi Gas Chem	7.5	7.6	6.6	11.7	11.8	13.1	10.2	11.7	10.0	0.7	0.7	0.7	7.2	6.0	7.0	
Sinopec Shanghai Petrochemical	11.1	8.2	6.6	2.3	3.3	4.1	48.7	19.2	12.7	0.4	0.5	0.5	0.7	2.8	4.2	
LG Chem	9.5	7.8	5.7	12.1	15.7	19.2	54.8	113.3	14.6	0.7	0.6	0.6	1.1	0.5	4.2	
Formosa Chemicals & Fibre Corp	16.0	19.0	12.8	4.8	4.5	6.7	55.4	NM	35.7	0.5	0.6	0.6	1.0	-0.1	1.7	
Nan Ya Plastics	15.9	16.5	13.6	11.1	10.2	11.9	52.4	123.9	28.1	0.9	1.0	0.9	1.1	1.1	3.3	
Formosa Plastics	39.3	53.4	35.6	4.1	3.2	4.8	1190.9	NM	39.5	0.7	0.9	0.8	0.3	0.1	1.8	
Hanwha	48.8	16.0	9.4	3.3	7.9	12.4	NM	NM	13.0	0.7	0.6	0.6	-17.6	-3.7	4.0	
Asahi Kasei Corp	6.7	6.1	5.6	11.9	12.8	13.4	13.3	11.8	9.5	0.8	0.8	0.7	6.2	6.7	8.1	
Toray Industries	8.5	8.3	7.6	10.6	10.6	11.2	16.6	16.7	13.6	0.8	0.8	0.8	5.1	5.3	6.1	
Kuraray Co	4.1	4.3	3.9	21.1	20.1	21.0	10.0	12.5	8.6	0.7	0.7	0.6	7.7	5.5	7.8	
Teijin Ltd	NM	NM	5.6	-0.5	10.2	11.3	9.8	21.6	13.3	0.5	0.6	0.5	5.6	2.6	4.2	
Mitsui Chemicals	7.2	6.8	6.0	10.8	11.7	12.8	12.3	12.2	9.8	0.8	0.8	0.7	6.2	6.4	7.6	
RIL	13.0	11.6	10.3	17.3	18.6	19.2	26.2	22.7	20.3	2.2	2.0	1.8	8.6	9.2	9.4	
Asian peers average	15.6	13.8	10.0	9.3	10.8	12.4	125.0	36.5	17.6	0.8	0.8	0.8	2.6	3.3	5.4	
Global peers average	12.1	11.4	8.9	14.9	13.9	15.0	78.8	40.8	18.9	1.0	1.0	1.0	4.3	4.3	6.6	
Global peers median	8.5	8.3	7.3	12.1	11.7	12.8	15.6	16.8	13.6	0.8	0.9	0.8	5.6	5.0	7.0	

Source: JM Financial, Bloomberg

Exhibit 33. Global refiner's valuation snapshot

Company	EV/EBITDA (x)			EBITDA Margins (%)			P/E (x)			P/B (x)			ROE (%)		
	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26
US peers															
Valero Energy	8.0	8.2	7.1	5.0	5.4	6.2	17.3	18.3	13.1	1.7	1.7	1.7	9.7	8.6	13.0
Marathon Petroleum	8.0	8.1	7.3	7.7	8.4	9.0	18.7	19.2	13.9	3.1	2.8	2.8	14.7	13.6	21.0
US peers average	8.0	8.1	7.2	6.3	6.9	7.6	18.0	18.8	13.5	2.4	2.3	2.2	12.2	11.1	17.0
European peers															
Galp Energia	4.5	5.3	4.9	15.8	15.1	15.7	11.8	13.2	12.6	2.6	2.5	2.3	23.3	18.6	19.2
Motor Oil Hellas	5.1	5.6	6.1	8.4	8.4	7.5	7.6	6.6	8.3	1.1	1.0	0.9	11.3	16.0	11.6
PKN Orlen	3.5	2.8	2.9	9.7	13.0	13.4	9.9	6.2	7.4	0.6	0.6	0.6	5.5	9.5	7.9
MOL Hungarian oil & gas plc	3.1	3.2	3.2	12.7	13.5	13.5	5.1	5.6	5.7	0.5	NM	NM	10.0	9.8	9.3
OMV Ag	3.6	4.1	4.2	21.5	21.2	21.1	7.4	9.4	8.5	0.9	0.9	0.9	11.1	9.1	10.2
European peers average	4.0	4.2	4.3	12.1	12.4	12.3	8.4	8.2	8.5	1.1	1.3	1.2	12.3	11.8	10.3
Asian peers															
SK Innovation	22.2	17.6	11.2	3.9	4.6	7.1	NM	NM	70.1	0.7	0.7	0.7	-5.6	-4.7	0.7
GS Holdings	5.2	4.9	4.5	13.3	14.2	14.6	4.0	6.0	5.9	0.3	0.3	0.3	7.5	5.0	5.1
SK Energy Co Ltd	22.2	17.6	11.2	3.9	4.6	7.1	NM	NM	70.1	0.7	0.7	0.7	-5.6	-4.7	0.7
MRPL	16.0	8.3	6.8	2.4	5.0	6.0	NM	NM	10.8	1.7	1.6	1.4	-0.2	10.1	13.4
CPCL	13.2	4.6	4.4	1.6	4.7	4.9	114.1	7.1	6.6	1.1	1.1	1.0	1.0	15.8	15.6
BPCL	7.8	6.6	6.4	5.4	6.8	6.6	10.2	8.4	8.5	1.6	1.5	1.3	15.8	18.3	16.0
HPCL	10.0	6.0	6.4	3.5	6.3	5.6	12.2	6.3	7.0	1.6	1.4	1.2	14.1	23.6	19.0
IOCL	10.1	6.7	6.3	4.5	7.4	7.4	19.6	9.0	8.8	1.0	1.0	0.9	6.4	11.2	10.7
RIL	13.0	11.6	10.3	17.3	18.6	19.2	26.2	22.7	20.3	2.2	2.0	1.8	8.6	9.2	9.4
Asian peers average ex- RIL	13.3	9.0	7.2	4.8	6.7	7.4	32.0	7.4	23.5	1.1	1.0	0.9	4.2	9.3	10.1
Global peers average ex- RIL	9.5	7.3	6.2	7.7	8.9	9.3	19.8	9.6	17.2	1.3	1.3	1.2	8.2	10.5	11.0
Global peers median ex- RIL	8.0	6.0	6.3	5.2	7.1	7.3	11.0	7.7	8.5	1.1	1.0	1.0	9.9	9.9	11.2

Source: JM Financial, Bloomberg

Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E	
Net Sales	90,10,640	96,46,930	95,89,984	1,06,70,609	1,21,83,694	
Sales Growth	2.6%	7.1%	-0.6%	11.3%	14.2%	
Other Operating Income	0	0	0	0	0	
Total Revenue	90,10,640	96,46,930	95,89,984	1,06,70,609	1,21,83,694	
Cost of Goods Sold/Op. Exp	58,53,430	62,96,890	62,59,720	69,65,081	79,52,725	
Personnel Cost	2,56,790	2,85,590	2,99,870	3,14,863	3,30,606	
Other Expenses	12,78,090	14,10,010	11,64,438	12,49,472	14,04,630	
EBITDA	16,22,330	16,54,440	18,65,957	21,41,193	24,95,732	
EBITDA Margin	18.0%	17.1%	19.5%	20.1%	20.5%	
EBITDA Growth	14.1%	2.0%	12.8%	14.8%	16.6%	
Depn. & Amort.	5,08,320	5,31,360	5,38,533	5,70,644	6,01,170	
EBIT	11,14,010	11,23,080	13,27,425	15,70,549	18,94,563	
Other Income	1,60,570	1,79,780	1,53,727	1,53,669	1,53,427	
Finance Cost	2,31,180	2,42,690	2,53,359	2,42,207	2,28,711	
PBT before Excep. & Forex	10,43,400	10,60,170	12,27,793	14,82,011	18,19,278	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	10,43,400	10,60,170	12,27,793	14,82,011	18,19,278	
Taxes	2,57,070	2,52,300	2,77,386	3,42,560	4,29,306	
Extraordinary Inc./Loss(-)	0	0	0	0	0	
Assoc. Profit/Min. Int.(-)	90,120	1,11,390	1,16,339	1,65,224	2,15,219	
Reported Net Profit	6,96,210	6,96,480	8,34,067	9,74,227	11,74,753	
Adjusted Net Profit	6,96,210	6,96,480	8,34,067	9,74,227	11,74,753	
Net Margin	7.7%	7.2%	8.7%	9.1%	9.6%	
Diluted Share Cap. (mn)	13,532.0	13,532.0	13,532.0	13,532.0	13,532.0	
Diluted EPS (INR)	51.4	51.5	61.6	72.0	86.8	
Diluted EPS Growth	5.0%	0.0%	19.8%	16.8%	20.6%	
Total Dividend + Tax	67,660	74,426	81,192	94,724	1,08,256	
Dividend Per Share (INR)	5.0	5.5	6.0	7.0	8.0	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E	
Shareholders' Fund	79,34,810	84,32,000	90,25,411	97,48,578	1,06,62,419	
Share Capital	67,660	1,35,320	1,35,320	1,35,320	1,35,320	
Reserves & Surplus	78,67,150	82,96,680	88,90,091	96,13,258	1,05,27,099	
Preference Share Capital	0	0	0	0	0	
Minority Interest	13,23,070	16,64,260	17,67,263	19,16,023	21,11,099	
Total Loans	32,46,220	34,75,300	34,26,053	33,51,215	33,32,476	
Def. Tax Liab. / Assets (-)	7,13,030	8,30,450	8,50,350	8,71,793	8,97,822	
Total - Equity & Liab.	1,32,17,130	1,44,02,010	1,50,69,078	1,58,87,609	1,70,03,816	
Net Fixed Assets	1,11,88,400	1,26,17,510	1,33,94,660	1,41,13,119	1,48,13,844	
Gross Fixed Assets	1,13,30,210	1,39,60,240	1,52,92,406	1,65,97,662	1,79,15,388	
Intangible Assets	1,49,890	2,45,300	2,45,300	2,45,300	2,45,300	
Less: Depn. & Amort.	36,80,250	42,11,610	47,50,143	53,20,787	59,21,956	
Capital WIP	33,88,550	26,23,580	26,07,097	25,90,943	25,75,112	
Investments	22,56,720	24,23,810	24,23,810	24,23,810	24,23,810	
Current Assets	41,05,360	44,55,810	41,10,650	42,57,213	48,07,650	
Inventories	15,27,700	14,60,620	13,20,366	14,03,823	15,50,994	
Sundry Debtors	3,16,280	4,21,210	4,07,015	4,34,047	4,74,018	
Cash & Bank Balances	9,72,250	10,65,020	8,64,184	8,87,657	12,35,494	
Loans & Advances	60,380	1,20,120	1,27,211	1,35,611	1,45,524	
Other Current Assets	12,28,750	13,88,840	13,91,875	13,96,076	14,01,619	
Current Liab. & Prov.	43,33,350	50,95,120	48,60,043	49,06,533	50,41,487	
Current Liabilities	17,83,770	18,67,890	16,91,813	17,94,349	19,82,540	
Provisions & Others	25,49,580	32,27,230	31,68,230	31,12,184	30,58,947	
Net Current Assets	-2,27,990	-6,39,310	-7,49,393	-6,49,320	-2,33,838	
Total - Assets	1,32,17,130	1,44,02,010	1,50,69,078	1,58,87,609	1,70,03,816	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E	
Profit before Tax	10,43,400	10,60,170	12,27,793	14,82,011	18,19,278	
Depn. & Amort.	5,08,320	5,31,360	5,38,533	5,70,644	6,01,170	
Net Interest Exp. / Inc. (-)	1,22,840	1,23,630	99,632	88,538	75,285	
Inc (-) / Dec in WCap.	63,660	2,37,240	-21,627	-7,955	1,050	
Others	-30,730	-46,120	0	0	0	
Taxes Paid	-1,19,610	-1,19,250	-2,57,486	-3,21,117	-4,03,276	
Operating Cash Flow	15,87,880	17,87,030	15,86,845	18,12,121	20,93,506	
Capex	-15,28,830	-13,99,670	-13,15,683	-12,89,102	-13,01,895	
Free Cash Flow	59,050	3,87,360	2,71,161	5,23,019	7,91,611	
Inc (-) / Dec in Investments	1,76,950	-1,17,820	-10,126	-12,600	-15,457	
Others	2,16,070	1,42,140	1,53,727	1,53,669	1,53,427	
Investing Cash Flow	-11,35,810	-13,75,350	-11,72,082	-11,48,033	-11,63,925	
Inc / Dec (-) in Capital	1,98,370	220	-1,72,800	-1,72,800	-1,72,800	
Dividend + Tax thereon	0	0	0	0	0	
Inc / Dec (-) in Loans	92,620	1,92,470	-1,08,247	-1,30,884	-71,976	
Others	-4,57,450	-5,11,600	-3,34,551	-3,36,931	-3,36,967	
Financing Cash Flow	-1,66,460	-3,18,910	-6,15,599	-6,40,615	-5,81,743	
Inc / Dec (-) in Cash	2,85,610	92,770	-2,00,836	23,473	3,47,838	
Opening Cash Balance	6,86,640	9,72,250	10,65,020	8,64,184	8,87,657	
Closing Cash Balance	9,72,250	10,65,020	8,64,184	8,87,657	12,35,494	

Source: Company, JM Financial

Dupont Analysis		FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin		7.7%	7.2%	8.7%	9.1%	9.6%
Asset Turnover (x)		0.7	0.6	0.6	0.6	0.7
Leverage Factor (x)		1.8	1.8	1.8	1.8	1.7
RoE		9.2%	8.5%	9.6%	10.4%	11.5%

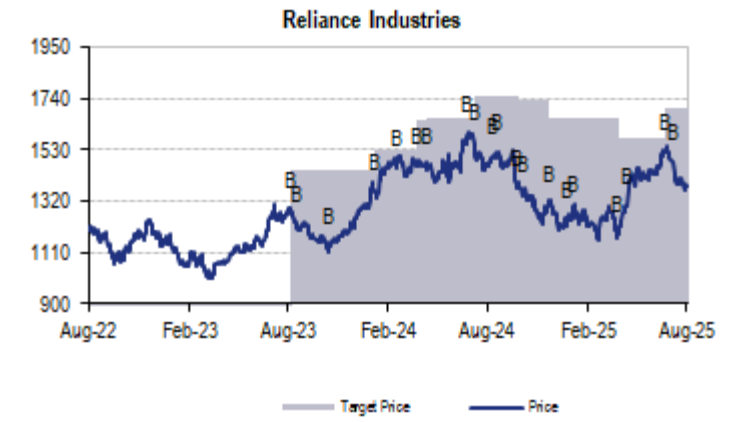
Key Ratios		FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)		586.4	623.1	667.0	720.4	787.9
ROIC		9.5%	8.8%	9.8%	10.7%	12.0%
ROE		9.2%	8.5%	9.6%	10.4%	11.5%
Net Debt/Equity (x)		0.2	0.1	0.2	0.1	0.1
P/E (x)		26.9	26.9	22.4	19.2	15.9
P/B (x)		2.4	2.2	2.1	1.9	1.8
EV/EBITDA (x)		13.1	13.1	11.7	10.2	8.7
EV/Sales (x)		2.4	2.2	2.3	2.1	1.8
Debtor days		13	16	15	15	14
Inventory days		62	55	50	48	46
Creditor days		88	85	80	77	75

Source: Company, JM Financial

History of Earnings Estimate and Target Price

Date	Recommendation	Target Price	% Chg.
18-Aug-23	Buy	1,450	
28-Aug-23	Buy	1,450	0.0
28-Oct-23	Buy	1,450	0.0
20-Jan-24	Buy	1,525	5.2
28-Feb-24	Buy	1,525	0.0
5-Apr-24	Buy	1,650	8.2
23-Apr-24	Buy	1,660	0.6
7-Jul-24	Buy	1,660	0.0
20-Jul-24	Buy	1,750	5.4
22-Aug-24	Buy	1,750	0.0
29-Aug-24	Buy	1,750	0.0
7-Oct-24	Buy	1,735	-0.8
15-Oct-24	Buy	1,735	0.0
2-Dec-24	Buy	1,660	-4.3
7-Jan-25	Buy	1,660	0.0
16-Jan-25	Buy	1,660	0.0
8-Apr-25	Buy	1,580	-4.8
26-Apr-25	Buy	1,580	0.0
3-Jul-25	Buy	1,701	7.7
19-Jul-25	Buy	1,700	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

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Rating	Meaning
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Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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