

# Reliance Industries

Estimate change	↓
TP change	↔
Rating change	↔

**CMP: INR3,117**

**TP: INR3,435 (+10%)**

**Buy**

## O2C, retail drag 1Q performance; telecom stable

### JIO IPO, refining / petchem upcycle in FY26-27 are catalysts

Bloomberg	RELIANCE IN
Equity Shares (m)	6766
M.Cap.(INRb)/(USD\$b)	21045 / 251.5
52-Week Range (INR)	3218 / 2220
1, 6, 12 Rel. Per (%)	2/0/-4
12M Avg Val (INR M)	17859

### Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	9,011	9,340	10,163
EBITDA	1,622	1,781	2,176
Adj PAT	696	771	979
EBITDA (%)	18%	19%	21%
EPS (INR)	102.9	113.9	144.8
EPS Gr. (%)	4%	11%	27%
BV/Sh. (INR)	1,231	1,343	1,486

### Ratios

Net D/E	0.3	0.3	0.2
RoE (%)	8.6	9.3	10.7
RoCE (%)	8.4	9.0	10.4

### Valuations

P/E (x)	30.3	27.4	21.5
P/BV (x)	2.5	2.3	2.1
EV/EBITDA (x)	14.5	13.2	10.6
Div Yield (%)	0.2	0.2	0.3
FCF Yield (%)	0.5	0.0	0.0

### Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	49.1	49.1	49.1
DII	16.8	16.4	15.8
FII	23.9	24.0	24.5
Others	10.2	10.5	10.6

FII Includes depository receipts

- Reliance Industries (RIL)'s 1QFY25 consolidated revenue/EBITDA grew 12%/2% YoY to INR2.3t/INR388b (in-line/5% miss), while PAT dipped 5% YoY to INR151b (9% miss). EBITDA/PAT missed our estimates due to the standalone/retail segments, while all three segments drove revenue growth.

- RJio's revenue/EBITDA/PAT increased ~2% QoQ each (in line) in 1QFY25, led by 7.9m subscriber additions, while ARPU was flat QoQ. The growth in network operating costs moderated and consequently, led to ~60% incremental EBITDA margin.

- Reliance Retail posted soft revenue growth of 7% YoY (9% miss), while area additions were robust at 15% YoY. Growth was fueled by Grocery and Electronics segments. EBITDA grew 8% YoY (8% miss), offset by higher depreciation, and consequently, PAT was flat during the quarter.

- Standalone EBITDA decreased 29% QoQ to INR143b and came in 20% below our estimates, mainly due to weaker refining GRM. We cut our standalone FY25E EBITDA/PAT by 8%/11% as we adjust for a weaker 1QFY25 performance and moderate GRM/gas price assumptions. Gasoline and Diesel GRMs are down ~USD1.5 and USD0.7 per bbl, respectively, in Jul'24 vs. the 1QFY25 average.

- Consolidated net debt improved sequentially by INR40b to INR1,123b, and capex for the quarter increased sequentially by INR56b to INR288b.

- Structurally, we are bullish on the refining business given globally capacity growth (IEA est. 2023-30: ~3.3mb/d) will lag oil demand growth (~1.0-1.2mb/d p.a.). In telecom, we are modeling an ARPU CAGR of 12% over FY24-26. In addition, we see the potential IPO for RJio to unlock valuation for the telecom business. We also remain positive on the retail business, where we are modeling 19% revenue/EBITDA CAGR each over FY24-26.

- Using our SoTP method, we value the Refining & Petrochemical segment at 8x FY26E EV/EBITDA to arrive at a valuation of INR1,061/sh for the Standalone business. We ascribe an equity valuation of INR940/sh to RJio and INR1,579/sh to Reliance Retail as well as assign INR89/sh towards the new energy business. **Reiterate BUY with a TP of INR3,435.**

### RJio – steady growth led by subscriber additions (in line)

- RJio's revenue/EBITDA rose 2.0%/2.3% QoQ (in line) in 1QFY25, led by 1.6% subscriber additions (7.9m additions), while ARPU was flat QoQ at INR181.7. PAT was up 2% QoQ, in line with the EBITDA growth.

- The network's opex growth is currently slowing down following the significant capex rollout. Compared to the 2-3% sequential growth seen in FY24, opex has expanded by 1% QoQ only. The majority of the 5G rollout is complete, and we expect a capex of INR392b/INR356b in FY25/26.

- We broadly maintain our estimates for FY25/FY26, expecting an 18% CAGR in revenue and a 25% CAGR in EBITDA over FY24-FY26. We project 2m monthly net subscriber additions for the next two years (vs. 3.5m monthly additions in FY24) due to the expectation of some SIM consolidation as subscriber churn and MNP are still elevated. We have modeled an ARPU CAGR of 12% over FY24-26E, factoring in the recent tariff hikes and the probability of the next round of tariff hikes in FY26.

### Reliance Retail – soft revenue growth; margin sustains

- Reliance Retail posted a soft revenue growth of 7% YoY (9% miss), though area additions were robust at 15% YoY. Revenue per sqft declined 8% YoY. EBITDA growth of 8% YoY (8% miss) was offset by higher depreciation, and hence, PAT was flat YoY for the quarter.
- The growth was propelled by the Grocery and Electronics segments, while the Fashion & Lifestyle segment was tepid. Overall footfalls grew 19% YoY to 296m across formats, and the customer base jumped 18% YoY to 316m. However, the number of transactions moderated to 334m (+6% YoY).
- We cut our revenue estimates by 3-5% for FY25/26 owing to the soft growth. We expect revenue and EBITDA to register 19% CAGR each over FY24-26 fueled by accelerated store additions across segments, a recovery in store productivity, and an aggressive foray into digital & new commerce.

### Standalone: Miss on EBITDA due to weak product cracks; softer O&G performance QoQ

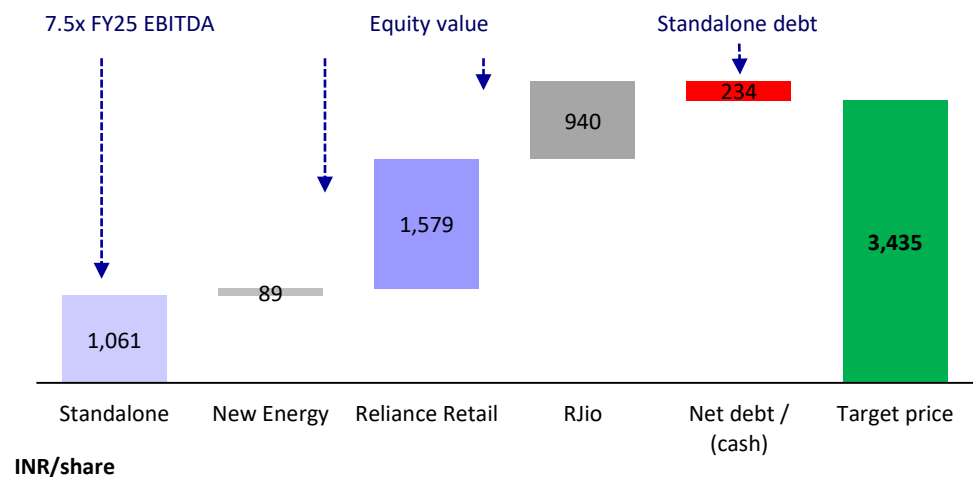
- Revenue stood at INR1,299b (+6% YoY). EBITDA came in at INR143b (est. INR180b; -18% YoY).
- EBITDA/mt stood at ~USD62 (-39% YoY; our est. USD91.8/mt) amid weak Gasoline, PE, and PP cracks, which were down 30%/17%/16% YoY. Production meant for sale stood at 17.7mmt (+3% YoY).
- Reported PAT was INR76b (est. of INR101b, -21% YoY).
- Gas price realization for KG-D6 gas declined to USD9.27/mmBtu in 1QFY25 from USD10.8/mmBtu in 1QFY24. Oil & Gas exploration EBITDA increased 30% YoY to INR52b, but was down 7% QoQ.
- **Key macro performance highlights:** The global oil demand in 1QFY25 rose 0.7mb/d YoY to 102.9mb/d, with strong demand originating mainly from Asia.
  - The global refinery throughput was higher by 0.3mb/d YoY at 81.6mb/d in 1Q.
  - Crude oil benchmarks improved YoY as the demand trend remained positive amid lower OPEC+ supply and strong demand from emerging markets.

### Valuation and view

- Segment-wise, the consumer business continues to post double-digit EBITDA growth, with both RJio and Reliance Retail likely to record 25% and 19% EBITDA CAGR over FY24-26, respectively. The growth would be driven by footprint additions, new categories in the retail sector, the focused approach to subscriber growth, and the tariff hikes in the telecom business. In O2C, we see Refining and Petchem segments picking up from the current levels, as net capacity additions for both segments are tapering off on a YoY basis. Moreover, FY25 would witness the full benefit of the ramped-up volumes at the MJ Field.

- We value **Reliance Retail’s** core business at 45x EV/EBITDA on FY26E and connectivity at 5x to arrive at a company value of INR12.2t (INR1,797 per share). Reliance Retail’s value in RIL share comes to **INR1,579/sh** (for its 87.9% stake). Our premium valuation multiples capture the opportunity for a rapid expansion in its retail business and the aggressive rollout of digital platforms.
- For **RJio**, we assign a 13x FY26E EV/EBITDA to arrive at our valuation of INR9.6t. Factoring in the 34% stake sale, RJio’s value in RIL comes to INR940/share (for its 66% stake). The higher multiple captures: a) its market leadership and market share gains, b) growth in the wireline (JioFiber and JioAirFiber) business, and c) opportunities in other digital businesses.
- Overall, we remain positive in both the **Refining and Petrochemical segments**. Global oil demand for CY24 is likely to be at ~103mb/d (up 1mb/d YoY). Gasoil cracks are anticipated to remain firm due to the strength in jet fuel demand and the limited availability of heavy crude.
- While global downstream chemical markets remain well-supplied in the near term, we note that capacity growth is tapering off and has passed its peak for key products such as PE, PP, and PX.
- We model a capex of INR650b for FY25 and FY26 each in the Standalone business, considering RIL’s investments in new-age greener businesses (such as solar energy, and a hydrogen ecosystem in India).
- Its consolidated gross debt declined INR197b to INR3.05t in 1QFY25, and with cash & cash equivalents of INR1.93t, the net debt stood at INR1.12t (according to the management).
- We maintain our capex estimates at INR1.2t each year for FY25/26, modeling INR392b/INR356b in Telecom, INR650b each year in the Standalone business, INR110b/INR107b in Retail, and the rest in Others, considering RIL’s investments in the new-age greener businesses.
- Using our SoTP method, we value the Refining & Petrochemical segment at 8x FY26E EV/EBITDA to arrive at a valuation of INR1,061/sh for the Standalone business. We ascribe an equity valuation of INR940/sh to RJio and INR1,579/sh to Reliance Retail as well as assign INR89/sh towards the new energy business. **Reiterate BUY with a TP of INR3,435.**

Exhibit 1: RIL – SoTP valuation (INR/share)



## Consolidated - Quarterly Earnings

(INR b)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var v/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	1QE	Est. (%)
<b>Net Sales</b>	<b>2,076</b>	<b>2,319</b>	<b>2,251</b>	<b>2,365</b>	<b>2,318</b>	<b>2,346</b>	<b>2,418</b>	<b>2,258</b>	<b>9,011</b>	<b>9,340</b>	<b>2,337</b>	<b>-1%</b>
YoY Change (%)	-5.4	0.8	3.6	11.1	11.7	1.2	7.4	-4.5	2.5	3.7	12.6	
<b>EBITDA</b>	<b>381</b>	<b>410</b>	<b>407</b>	<b>425</b>	<b>388</b>	<b>447</b>	<b>479</b>	<b>467</b>	<b>1,622</b>	<b>1,781</b>	<b>410</b>	<b>-5%</b>
Margins (%)	18.4	17.7	18.1	18.0	16.7	19.1	19.8	20.7	18.0	19.1	17.5	
Depreciation	118	126	129	136	136	135	137	136	508	543	130	4%
Interest	58	57	58	58	59	59	59	57	231	234	62	-4%
Other Income	38	38	39	45	40	41	41	42	161	164	42	-6%
<b>PBT before EO expense</b>	<b>243</b>	<b>265</b>	<b>258</b>	<b>277</b>	<b>232</b>	<b>294</b>	<b>325</b>	<b>316</b>	<b>1,043</b>	<b>1,167</b>	<b>261</b>	<b>-11%</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>243</b>	<b>265</b>	<b>258</b>	<b>277</b>	<b>232</b>	<b>294</b>	<b>325</b>	<b>316</b>	<b>1,043</b>	<b>1,167</b>	<b>261</b>	<b>-11%</b>
Rate (%)	25.2	25.2	24.6	23.7	24.9	25.0	25.1	23.7	24.6	24.8	26.1	
MI & Profit/Loss of Asso. Cos.	21.7	24.3	22.2	21.9	23.1	26.8	26.8	26.8	90.1	107.3	26	
<b>Reported PAT</b>	<b>160</b>	<b>174</b>	<b>173</b>	<b>190</b>	<b>151</b>	<b>194</b>	<b>216</b>	<b>214</b>	<b>696</b>	<b>771</b>	<b>167</b>	<b>-9%</b>
<b>Adj PAT</b>	<b>160</b>	<b>174</b>	<b>173</b>	<b>190</b>	<b>151</b>	<b>194</b>	<b>216</b>	<b>214</b>	<b>696</b>	<b>771</b>	<b>167</b>	<b>-9%</b>
YoY Change (%)	-12.0	27.0	9.2	-1.8	-5.5	11.5	25.3	13.0	2.5	10.7	4.0	
Margins (%)	7.7	7.5	7.7	8.0	6.5	8.3	8.9	9.5	7.7	8.3	7.1	

E: MOFSL Estimates

## Standalone - Quarterly Earnings Model

(INR b)

Y/E March	FY24				FY25		Var
	1Q	2Q	3Q	4Q	1Q	1QE	(%)
<b>Net Sales</b>	<b>1,226.3</b>	<b>1,373.8</b>	<b>1,277.0</b>	<b>1,468.3</b>	<b>1,299.0</b>	<b>1,364.2</b>	<b>-5%</b>
YoY Change (%)	-16.3	0.0	1.5	13.2	5.9	11.2	
<b>EBITDA</b>	<b>174.9</b>	<b>191.9</b>	<b>175.6</b>	<b>200.2</b>	<b>143.2</b>	<b>179.6</b>	<b>-20%</b>
Margin (%)	14.3	14.0	13.7	13.6	11.0	13.2	
Depreciation	38.8	43.8	45.7	48.6	47.1	41.6	
Interest	36.0	32.4	29.8	36.1	29.6	35.7	
Other Income	27.3	29.3	29.7	35.0	35.0	32.3	
<b>PBT before EO expense</b>	<b>127.4</b>	<b>145.0</b>	<b>129.8</b>	<b>150.5</b>	<b>101.5</b>	<b>134.5</b>	<b>-25%</b>
Extra-Ord expense	0.0	0.0	0.0	0.0	0.0	0.0	
<b>PBT</b>	<b>127.4</b>	<b>145.0</b>	<b>129.8</b>	<b>150.5</b>	<b>101.5</b>	<b>134.5</b>	<b>-25%</b>
Tax	31.2	32.9	30.5	37.7	25.4	33.4	
Rate (%)	24.4	22.7	23.5	25.0	25.0	24.8	
<b>Reported PAT</b>	<b>96.3</b>	<b>112.1</b>	<b>99.2</b>	<b>112.8</b>	<b>76.1</b>	<b>101.1</b>	<b>-25%</b>
<b>Adj PAT</b>	<b>96.3</b>	<b>112.1</b>	<b>99.2</b>	<b>112.8</b>	<b>76.1</b>	<b>101.1</b>	<b>-25%</b>
YoY Change (%)	-32.3	64.9	19.6	-18.0	-20.9	5.1	
Margin (%)	7.9	8.2	7.8	7.7	5.9	7.4	
<b>Key Assumptions</b>							
Production meant for sale (mmt)	17.2	17.1	16.4	17.1	17.7	17.0	4%
EBITDA/mt (USD)	95.1	102.0	86.3	100.4	61.6	91.8	-33%

**Exhibit 2: RIL Consolidated – summary of changes to our estimates (INR b)**

RIL Consol	FY25E	FY26E
<b>Revenue</b>		
Old	9,903	10,935
Actual/New	9,340	10,163
Change (%)	-6%	-7%
<b>EBITDA</b>		
Old	1,832	2,153
Actual/New	1,781	2,176
Change (%)	-3%	1%
<b>PAT</b>		
Old	808	979
Actual/New	771	979
Change (%)	-5%	0%

Source: Company, MOFSL

**Exhibit 3: RIL Standalone – summary of changes to our estimates (INR b)**

RIL Standalone	FY25E	FY26E
<b>Revenue</b>		
Old	5,483	5,558
Actual/New	5,020	4,976
Change (%)	-8%	-10%
<b>EBITDA</b>		
Old	779	870
Actual/New	719	897
Change (%)	-8%	3%
<b>PAT</b>		
Old	451	513
Actual/New	399	509
Change (%)	-11%	-1%

Source: Company, MOFSL

**Exhibit 4: Rjio – summary of changes to our estimates (INR b)**

Rjio	FY25E	FY26E
<b>Revenue</b>		
Old	1,192	1,411
Actual/New	1,183	1,402
Change (%)	-1%	-1%
<b>EBITDA</b>		
Old	654	825
Actual/New	657	819
Change (%)	0%	-1%
<b>PAT</b>		
Old	276	385
Actual/New	285	388
Change (%)	3%	1%

Source: Company, MOFSL

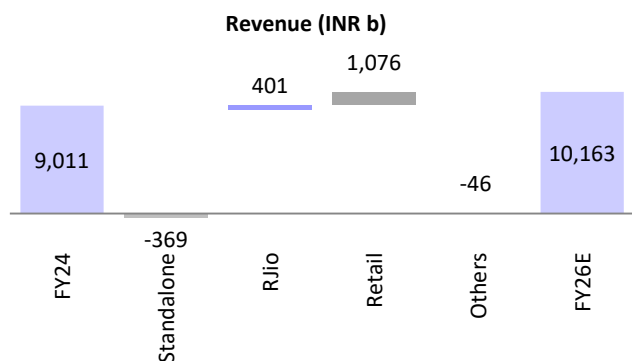
**Exhibit 5: Reliance Retail – summary of changes to our estimates (INR b)**

Reliance Retail	FY25E	FY26E
<b>Revenue</b>		
Old	3,153	3,892
Actual/New	3,062	3,711
Change (%)	-3%	-5%
<b>EBITDA</b>		
Old	233	292
Actual/New	240	294
Change (%)	3%	1%
<b>PAT</b>		
Old	104	145
Actual/New	109	146
Change (%)	5%	1%

Source: Company, MOFSL

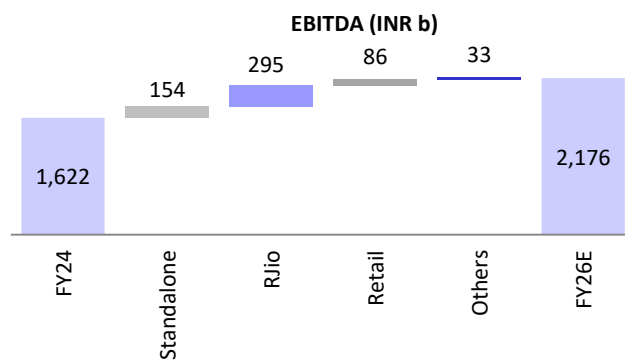
## RIL – story in charts

**Exhibit 6: Expect Reliance Retail to add the highest revenue over FY24–26 (INR b)**



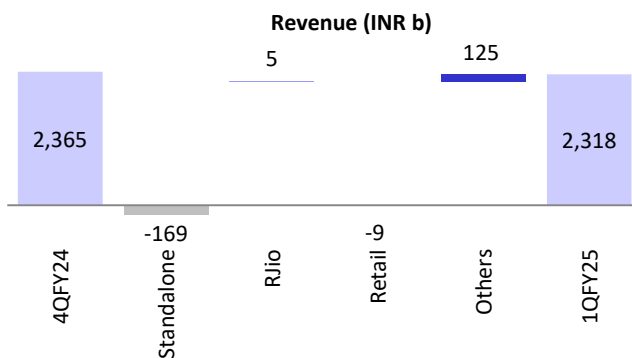
Source: Company, MOFSL

**Exhibit 7: Expect all segments to contribute to EBITDA over FY24–26 (INR b)**



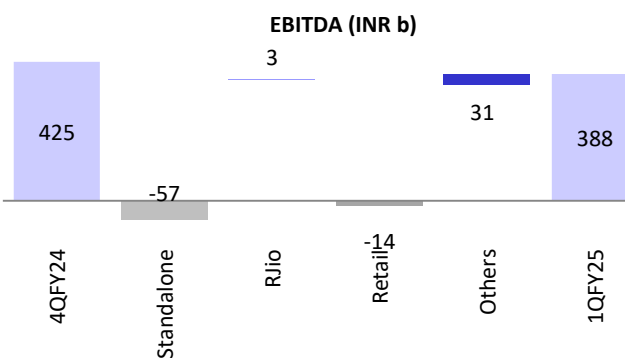
Source: Company, MOFSL

**Exhibit 8: Sequential revenue flow in 1QFY25 (INR b)**



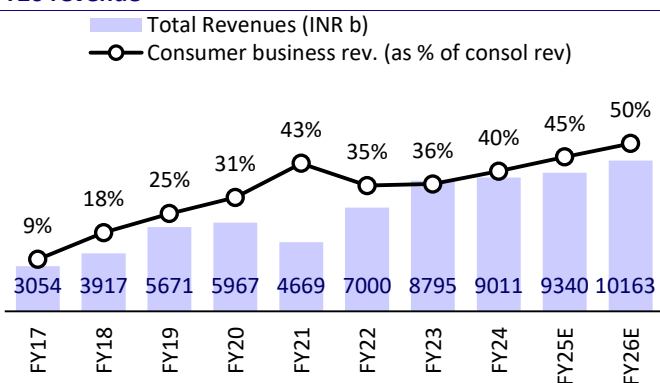
Source: Company, MOFSL

**Exhibit 9: Sequential EBITDA flow in 1QFY25 (INR b)**



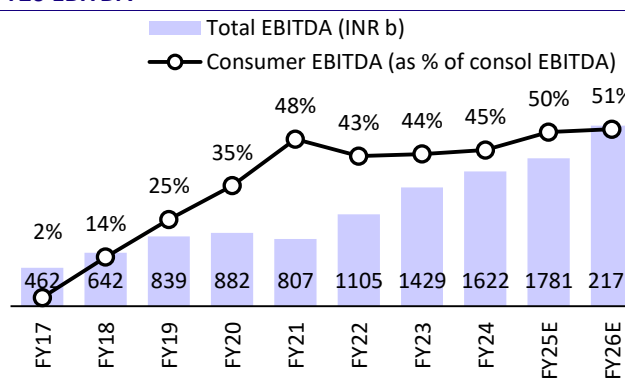
Source: Company, MOFSL

**Exhibit 10: Expect Consumer business to contribute 50% to FY26 revenue**



Source: Company, MOFSL

**Exhibit 11: Expect Consumer business to contribute 51% to FY26 EBITDA**



Source: Company, MOFSL

**Exhibit 12: Net debt position (INR b)**

INR b	Sep'22	Dec'22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24
Gross Debt	2,949	3,035	3,147	3,187	2,957	3,117	3,246	3,049
Cash & Cash equivalent	2,016	1,933	2,045	1,921	1,780	1,924	2,083	1,926
Net Debt	933	1,102.5	1,102	1,266	1,177	1,194	1,163	1,123

; Source: MOFSL, Company



## Steady growth led by subscriber additions

### Revenue/PAT up 2% QoQ (in line)

RJio reported an in-line performance in 1QFY25 with standalone revenue growth of 2% QoQ (+10% YoY; in line) to INR265b, led by 1.6% QoQ subscriber additions. ARPU continued to remain flat sequentially at INR181.7 (flat since the last four quarters). EBITDA improved to INR139b, up 2.3% QoQ (+11% YoY; in line), and margin improved 10bp QoQ to 52.6% with an incremental EBITDA margin of 60%. The network's opex growth is currently slowing down following the significant capex rollout. Compared to the 2-3% sequential growth seen in FY24, opex has expanded by 1% QoQ only. The EBITDA benefit flowed into PAT, which rose 2% QoQ to INR54b (12% YoY; in-line), while margin remained flat at 20.6%. Jio Platforms Ltd. (JPL)'s revenue/PAT increased 2% QoQ to INR345b/INR57b during the quarter.

### Operating metrics remain strong

RJio continues to focus on subscriber-led growth. It posted 1.6% QoQ growth in subscribers (7.9m net additions and 32.9m gross adds), taking the total count to 489.7m. Net subscriber growth has reduced sequentially to 2.6m additions per month from 3.5m additions per month due to an elevated 20bp QoQ churn rate to 1.7%. Gross subscriber additions were flat QoQ at 33m adds in 1QFY25. ARPU was flat QoQ at INR181.7. Wireless data traffic per subscriber per month rose 6% QoQ to 30.3 GB/month. Voice consumption per subscriber per month declined 3% QoQ at 974 mins.

### Steady progress on the growth engines – 5G and JioAirFiber

RJio has rolled out its **5G standalone services** in India and has migrated 130m (vs. 108m+ QoQ) subscribers (i.e., 26.5% of total subscribers vs. 22.4% QoQ) to the RJio 5G network. The network has been contributing 31% (vs. 28% QoQ) of wireless data traffic. The company is improving monetization with a rise in tariff hikes by 13-25% vs. previous plans.

**JioAirFiber** is now available pan-India (vs. 5,900 cities/towns in 4QFY24) via network slicing on a 5G standalone architecture. The strong demand for the bundled entertainment and connectivity solution has led to the addition of over 1.1m home connects in 1QFY25.

## **RJio – key takeaways from the management interaction**

### **Customer migration towards 5G increasing**

- Jio's subscriber base reached 489.7m, by adding net 8m subscribers during the quarter. Jio has one of the largest 5G subscriber bases globally, at ~130m (outside China).
- The migration to Jio True5G continued, adding ~130m subscribers.
- Data traffic was up 32.8% YoY at 44.1b GB led by an increasing 5G adoption rate and FTTH ramp-up. 5G now accounts for 31% of Jio's wireless data traffic.
- Jio has introduced two new services: JioSafe and JioTranslate, which will be available to users free of charge for the next one year.

### **JioFiber: Building traction in the home business**

- Jio Fibre is now available pan-India, and its demand remains strong. This made Jio the fastest operator to surpass the 1m mark on fixed wireless.
- Innovative distribution through network slicing on Standalone 5G network and Jio's unique point-to-multipoint deployment are transforming fixed broadband infrastructure in India and driving demand.
- Rjio is expanding its wallet share beyond connectivity in BFSI, with wins across CPaaS, Chatbots, and Cloud. It is also leveraging the BFSI tie-ups to offer financing options for devices and connectivity to SMBs.

### **New tariff plans**

- New unlimited plans with a 13-25% higher tariff will be effective from 3<sup>rd</sup> Jul'24.
- No tariff hike was taken for JioBharat, which is accelerating the transition towards '2G Mukht Bharat' and JioPhone users.

### **Consolidating leadership in Spectrum Footprint**

- During the recently concluded spectrum auction, Jio acquired the right to use additional spectrum in the 1800MHz band in Bihar and West Bengal for a cumulative cost of ~INR9.7b.
- Jio's spectrum footprint across bands stands at 26,801 MHz (uplink + downlink)
- Jio is the only operator in India to have access in low, mid and high-band (700 MHz, 3300 MHz, and 26GHz) spectrum for 5G, which gives it a unique advantage on 5G.



### Valuation

- We broadly maintain our estimates for FY25/FY26, expecting an 18% CAGR in revenue and a 25% CAGR in EBITDA over FY24-FY26. We project 2m monthly net subscriber additions for the next two years (vs. 3.5m monthly additions in FY24) due to the expectation of some SIM consolidation as subscriber churn and MNP are still elevated. We have modeled an ARPU CAGR of 12% over FY24-26E, factoring in the recent tariff hikes and the probability of the next round of tariff hikes in FY26.
- For RJio, we assign a 13x FY26E EV/EBITDA to arrive at our valuation of INR9.6t. Factoring in the 34% stake sale, RJio's value in RIL comes to INR940/share (for its 66% stake). The higher multiple captures: a) its market leadership and market share gains, b) growth in the wireline (JioFiber and JioAirFiber) business, and c) opportunities in other digital businesses.

#### Exhibit 13: RJio – EV/EBITDA-based SoTP valuation

EV/EBITDA based Valuation	(INR b)
<b>On FY26</b>	
EBITDA	819
EV/EBITDA (x)	13x
EV	10,651
Debt	1,049
<b>Equity Value</b>	<b>9,602</b>
Stake of RIL	66%
<b>RIL stake in RJio</b>	<b>6,383</b>
RIL shares	6.8
<b>Value Per Share</b>	<b>940</b>

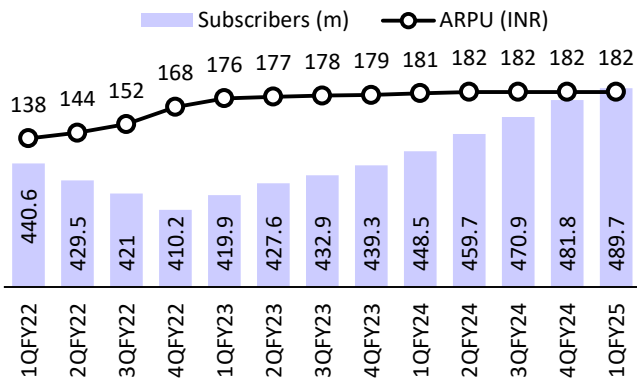
Source: Company, MOFSL

#### Exhibit 14: RJio – KPI comparison

Key Operating Metrics	1QFY24	4QFY24	1QFY25	YoY%	QoQ%	1QFY25E	Var (%)
Subscriber base (m)	448.5	481.8	489.7	9.2	1.6	490.8	-0.2
Net subs adds	9.2	10.9	7.9	-14.1	-27.5	9.0	-12.2
Gross sub adds	33.4	32.6	32.9	-1.6	0.9		
ARPU (INR/sub/month)	180.5	181.7	181.7	0.7	0.0	182	-0.2
Total wireless Data traffic (b GB)	33.2	40.9	44.1	32.8	7.8	44	0.8
Wireless Data traffic per sub (GB/mth)	24.9	28.6	30.3	21.4	5.7	30.0	0.9
Voice on Network (b min)	1,340	1,440	1,420	6.0	-1.4	1,469	-3.3
Voice consumption per sub (min/mth)	1,006	1,008	974	-3.2	-3.3	1,007	-3.2

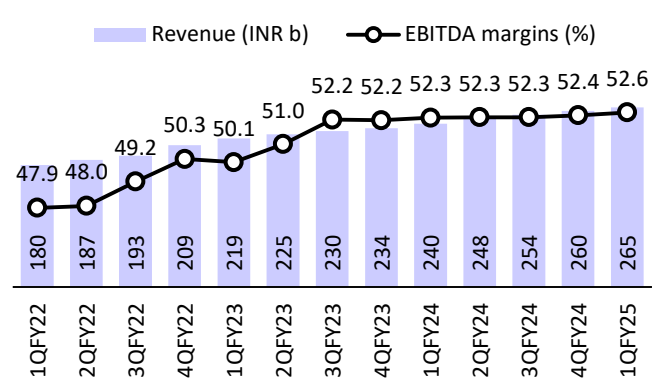
Source: MOFSL, Company

**Exhibit 15: Subscriber additions steady while ARPU was flat**



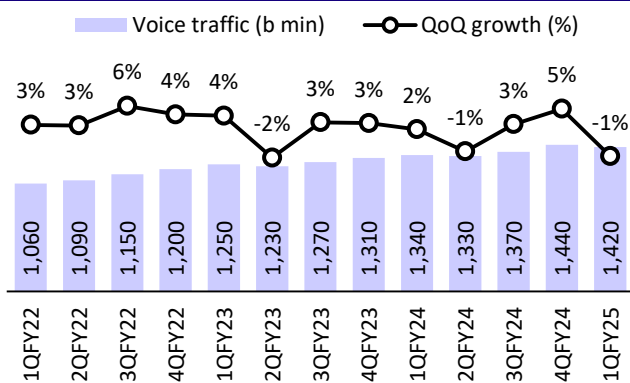
Source: MOFSL, Company

**Exhibit 16: Revenue/EBITDA grew 2% QoQ each**



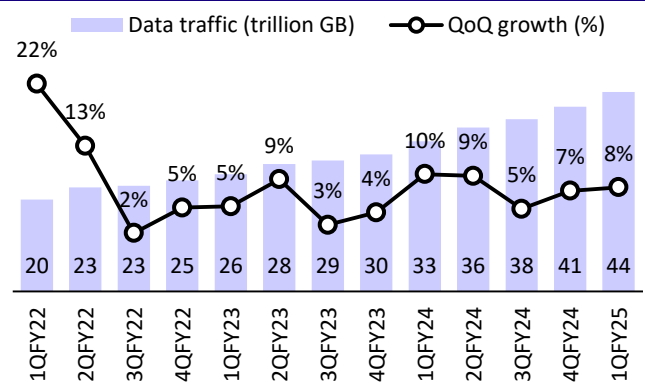
Source: MOFSL, Company

**Exhibit 17: RJio – Voice traffic declined 1% QoQ**



Source: MOFSL, Company

**Exhibit 18: RJio – Data traffic increasing**



Source: MOFSL, Company

**Exhibit 19: Financial snapshot of Jio Platforms**

(INR b)	1QFY24	4QFY24	1QFY25	YoY	QoQ
Gross Revenue	306	338	345	12.8%	2.1%
Operating Revenue	261	289	294	12.8%	2.0%
EBITDA	131	144	146	11.6%	1.9%
EBITDA Margin	50.2%	49.7%	49.7%	-52bps	-3bps
D&A	53	58	59	10.9%	0.7%
EBIT	78	85	88	12.1%	2.8%
EBIT Margin	30.0%	29.6%	29.8%	-19bps	23bps
Finance Cost	10	10	11	13.5%	9.5%
PBT	69	75	77	11.8%	1.9%
Tax	18	19	20	12.3%	1.5%
Tax rate	26%	26%	26%		
PAT	51	56	57	11.7%	2.0%
PAT Margin	19.5%	19.3%	19.3%	-19bps	-1bps

Source: MOFSL, Company

**Exhibit 20: Financial comparison between Jio Platforms and subsidiaries**

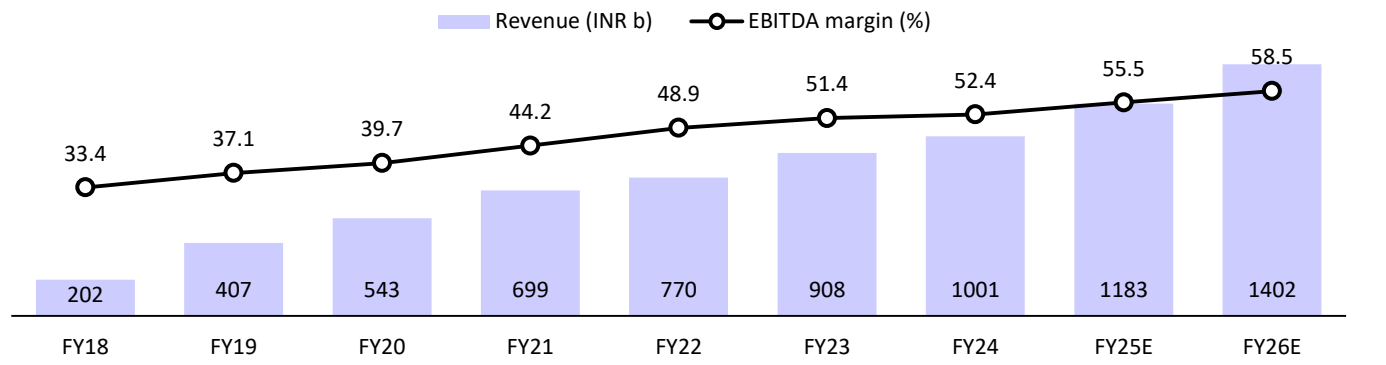
Particulars (INR b)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	YoY	QoQ
<b>Operating Revenue</b>											
RJPL	235	243	249	255	261	269	277	289	294	13%	2%
Growth QoQ	5%	3%	3%	2%	3%	3%	3%	4%	2%		
Rjio	220	226	231	235	241	249	255	261	266	10%	2%
Growth QoQ	5%	3%	2%	2%	3%	3%	3%	2%	2%		
Subsidiary	15	16	18	20	20	20	22	28	29	44%	3%
Growth QoQ	15%	9%	12%	7%	1%	2%	8%	28%	3%		
<b>EBITDA</b>											
RJPL	114	120	125	128	131	135	140	144	146	12%	2%
Growth QoQ	5%	5%	4%	2%	3%	3%	3%	3%	2%		
Margin	49%	49%	50%	50%	50%	50%	50%	50%	50%		
Rjio	110	115	120	122	126	130	133	136	139	11%	2%
Growth QoQ	4%	5%	5%	2%	3%	3%	3%	3%	2%		
Margin	50%	51%	52%	52%	52%	52%	52%	52%	52%		
Subsidiary	5	5	5	6	5	6	7	7	7	33%	-4%
Growth QoQ	13%	13%	-2%	9%	-3%	7%	18%	10%	-4%		
Margin	30%	32%	28%	28%	27%	28%	31%	27%	25%		
<b>PAT</b>											
RJPL	45	47	49	50	51	53	54	56	57	12%	2%
Growth QoQ	5%	4%	3%	2%	2%	4%	3%	3%	2%		
Margin	19%	19%	20%	20%	20%	20%	20%	19%	19%		
Rjio	43	45	46	47	49	51	52	53	54	12%	2%
Growth QoQ	4%	4%	3%	2%	3%	4%	3%	2%	2%		
Margin	20%	20%	20%	20%	20%	20%	20%	20%	20%		
Subsidiary	2	2	2	3	2	2	2	3	3	6%	1%
Growth QoQ	58%	8%	16%	7%	-10%	1%	-1%	5%	1%		
Margin	13%	13%	13%	13%	12%	12%	11%	9%	9%		

Source: MOFSL, Company

**Exhibit 21: RJio – summary of the changes to our estimates**

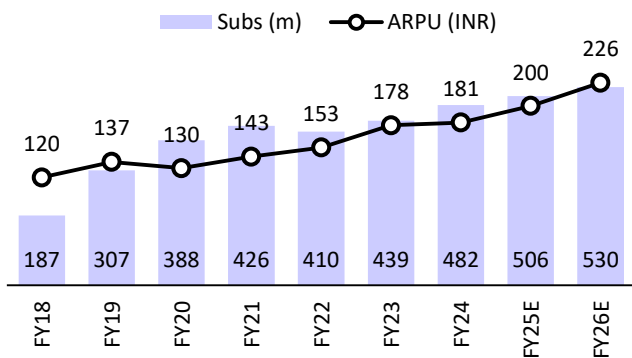
	FY25E	FY26E
<b>Revenue (INRb)</b>		
Old	1192	1411
Actual/New	1183	1402
Change (%)	-0.8	-0.6
<b>EBITDA (INRb)</b>		
Old	654	825
Actual/New	657	819
Change (%)	0.3	-0.7
<b>EBITDA margin (%)</b>		
Old	54.9	58.5
Actual/New	55.5	58.5
Change (bp)	60bps	-5bps
<b>Net Profit (INRb)</b>		
Old	276	385
Actual/New	285	388
Change (%)	3.3	0.7

**Exhibit 22: RJio – expect 18%/25% revenue/EBITDA CAGR over FY24-26**



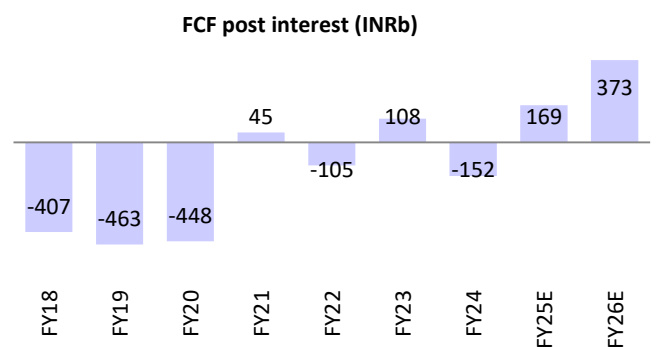
Source: MOFSL, Company

**Exhibit 23: Expect 5%/12% CAGR in Subs/ARPU over FY24-26**



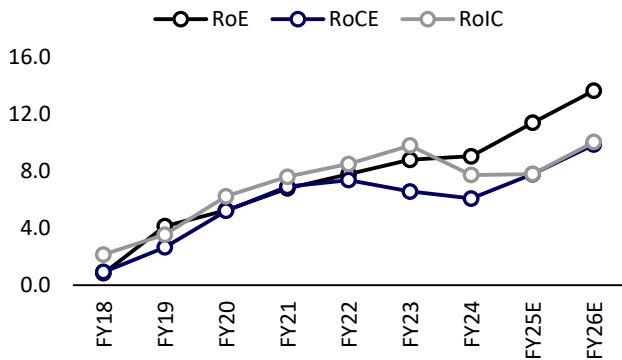
Source: MOFSL, Company

**Exhibit 24: Expect FCF generation led by tariff hikes**



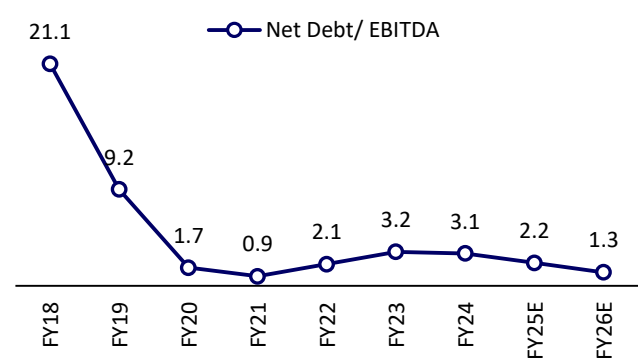
Source: MOFSL, Company

**Exhibit 25: Return ratios to improve led by tariff hikes**



Source: Company, MOFSL

**Exhibit 26: RJio – expect net debt-to-EBITDA to decline (x)**



Source: Company, MOFSL



## Soft revenue growth leads to revenue/EBITDA miss

### Revenue/EBITDA up 7%/8% YoY (9%/8% miss)

- Reliance Retail reported soft growth of 7% YoY in consolidated revenue to INR663b (9% miss), though area addition was robust at 15% YoY, which implies a decline in revenue/sqft by 8% YoY.
- It opened net 82 stores (331 new stores and closed 249 stores) in 1QFY25, leading to a total store count of 18,918 (3% YoY) and 81.3m sqft area (3.1m new area and closed 0.9m sqft). This implies consolidation of smaller-size stores (average 3.6sqft stores) into bigger-size stores (~9.4ksqft).
- Overall footfall grew 19% YoY to 296m across formats. Its customer base jumped 18% YoY to 316m, while the number of transactions slowed down to 334m (6% YoY). Blended EBITDA grew 8% YoY to INR56b (8% miss), with a margin expansion of 10bp YoY to 8.4% due to the streamlining of operations.
- PAT was flat YoY at INR25b, offset by higher depreciation.

### Segment-wise revenue growth

Revenue growth was led by Grocery segment and Consumer Electronics. Fashion & Lifestyle remained tepid due to a weak environment. In the Consumer Electronics business, growth momentum remained intact, led by customer walk-ins and an increasing average bill value. In Grocery, growth was led by big box formats and expansion in Tier 2 and beyond cities. Core revenue (excluding connectivity and petro retail) is estimated to have grown 7% YoY to INR485b, while core EBITDA is estimated to be up by 9% YoY at INR47.5b.

### Buttressing capabilities

- During the quarter, Reliance Retail entered into a long-term licensing arrangement with ASOS, the UK's leading online fashion retailer, to exclusively retail ASOS's curated portfolio of fashion-led own brand labels across all online and offline channels in India.
- Grocery New Commerce business continued to expand its kirana partner base, as Metro format scaled up with 30 new store openings, taking the count to over 200 stores with presence across 180+ cities.
- JioMart delivered steady performance, with average bill value growing by 16% YoY. Notably, the non-grocery categories continued to do well, with >50% growth in the average bill value, led by consumer electronics. In JioMart, the seller base increase by 69% YoY.

### Valuation and view

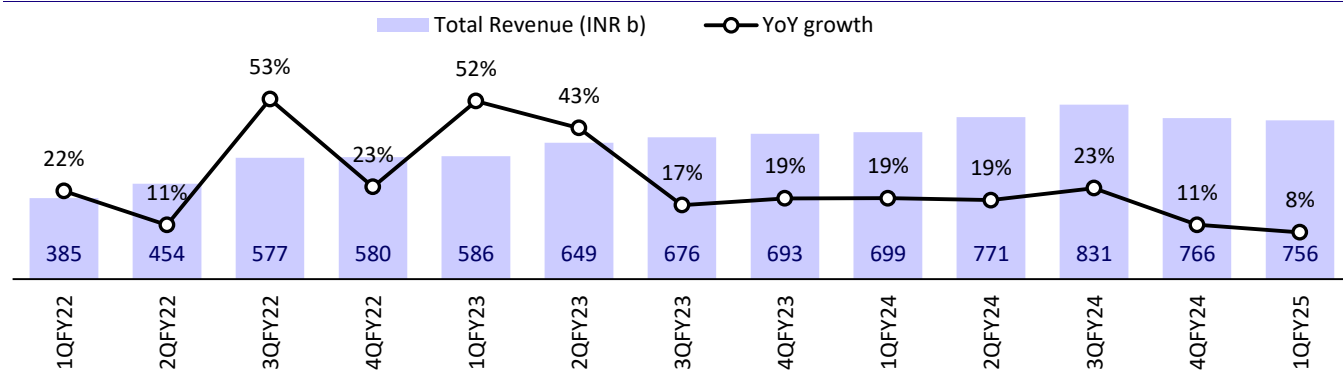
- Reliance Retail has seen aggressive growth in the past few years. It increased its area addition by 29% over FY20-24. We have cut our revenue estimates by 3-5% for FY25/FY26 and expect revenue/EBITDA CAGR of 19% each over FY24-26 to reach INR3.7t/INR294b by FY26. Core revenue/EBITDA are likely to be INR2.9t/INR285b with 9.9% EBITDA margin in FY26E.
- We value Reliance Retail's core business at 45x EV/EBITDA on FY26E and connectivity at 5x to arrive at company value of INR12.2t (INR1,797 per share). Reliance Retail's value in RIL share comes to **INR1,579/sh** (for its 87.9% stake). Our premium valuation multiples capture the opportunity for a rapid expansion in its retail business and the aggressive rollout of digital platforms.

**Exhibit 27: Quarterly performance**

(INR b)	1QFY24	4QFY24	1QFY25	YoY%	QoQ%	1QFY25E	v/s est %
Net Revenues	622	676	663	6.6	-2.0	726	-8.8
EBITDA - blended	51	58	56	8.3	-4.4	60	-7.6
EBITDA Margin (%) - blended	8.3%	8.6%	8.4%	14bps	-21bps	8.3%	10bps
Retail Area (m sqft)	70.6	79.1	81.3	15.2	2.8		
Stores	18,446	18,836	18,918	2.6	82		
PAT	24	27	25	0.2	-9.1		

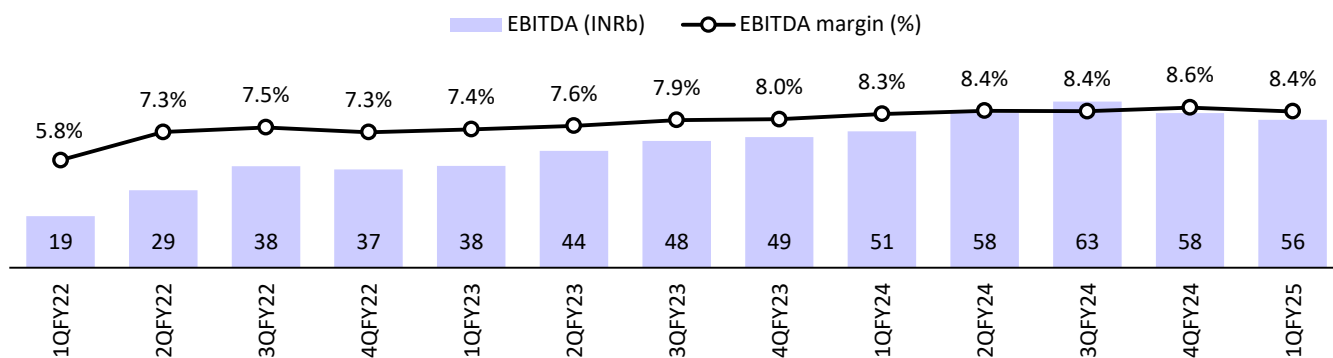
E: MOFSL estimates

**Exhibit 28: Reliance Retail – gross revenue slowing down for the last 2-3 quarters...**



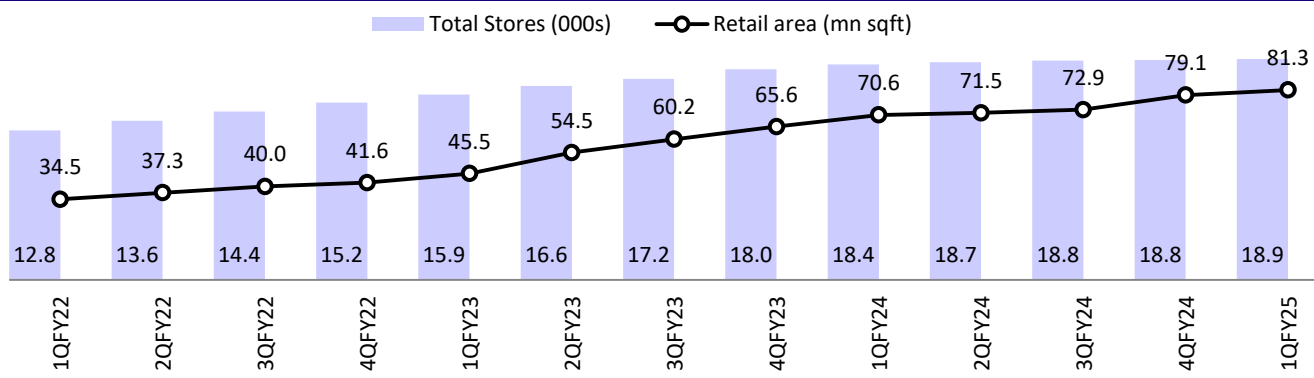
Source: Company, MOFSL

**Exhibit 29: Reliance Retail – ...however, streamlining of operations driving margin improvement**



Source: Company, MOFSL

**Exhibit 30: Reliance Retail – Footprint additions slowed down due to consolidation of smaller stores into larger stores**



Source: Company, MOFSL

**Exhibit 31: KPIs for 1QFY25: transactions slowed, while footfalls remained strong**

(Fig in m)	1QFY24	4QFY24	1QFY25	YoY (%)	QoQ (%)
Store footfalls	249	272	296	19%	9%
Customer base	267	304	316	18%	4%
Transactions	314	311	334	6%	7%

**Exhibit 32: Reliance Retail – Summary of our revised estimates**

(INR b)	FY25E	FY26E
<b>Revenue</b>		
Old	3153	3892
Actual/New	3062	3711
Change (%)	-3	-5
<b>EBITDA</b>		
Old	233	292
Actual/New	240	294
Change (%)	2.9	0.5
<b>EBITDA margin (%)</b>		
Old	7.4	7.5
Actual/New	7.8	7.9
Change (bp)	44	41
<b>Net Profit</b>		
Old	104	145
Actual/New	109	146
Change (%)	5.0	1.1

Source: Company, MOFSL

**Exhibit 33: Reliance Retail – SoTP valuation (FY26E based)**

Valuation	EBITDA	multiple	EV (INR b)
Core EBITDA	285	45	12,818
Petro and Connectivity	32	5	160.1
Total			12,978
Less Net Debt			822
Equity Value			12,156
No of Shares (in b)			6.8
Target Price			1,797
RIL stake in RRVL			87.9%
RRVL value in SOTP			1,579

## Reliance Retail – key takeaways from the management interaction

### Segmental details:

#### Grocery

- Grocery business delivered another quarter of steady performance, led by big box formats and expansion in Tier 2 and beyond cities. The company continued to expand premium formats in select affluent catchments.
- Events, like Summer Ready Sale and Full Paisa Vasool Sale, continued to gain traction, registering 30%/32% YoY growth.
- The segment saw broad-based growth across all categories. The pulses, cereals and non-food categories led growth, while some seasonal categories performed well.
- Metro (B2B business) opened 30 stores during the quarter, reaching 200+ stores across 180+ cities. This model enables to offer an omni-channel model to the merchants, where they come into the stores and experience the wide range of assortment. Moreover, they can order online at their convenience on the app as well.

#### JioMart:

- JioMart delivered steady performance during the quarter, increasing AOV by 16% YoY.
- AOV growth was led by Non-Grocery category, which grew 50% YoY, led by electronics.
- The segment continued to grow options count and expanded its seller base by 69% YoY.

#### Consumer brands:

- The segment continued to deepen its presence in General Trade, delivering 150%+ growth YoY.
- New product launches across brands, including Campa, Independence, Maliban, Ravalgaon, etc.
- Multiple pilots in biscuits, snacks and HPC are underway to bolster product portfolio, thereby strengthening its manufacturing supply chain across categories through partnerships.

#### Consumer Electronics

- Consumer Electronics business saw an increase in footfall and average basket value (ABV).
- Sales of ACs and refrigerators were led by seasonality, while TV sales were led by events (Cricket world cup and IPL), resulting in steady growth in digital stores.
- 'resQ' (which is company service business) launched on demand service across 45 categories and increased service network with 50+ new centers.
- JMD (B2B business) continued to expand its merchant base, up 14% YoY. The growth was seen across categories.
- Own brands/ PBG merchant base continued to increase, up 100% YoY.



**Fashion & Lifestyle**

- The Fashion & Lifestyle business is focusing on store expansion and refreshing assortment to stay in line with the emerging trends.
- New formats, like Yousta, Azorte and GAP, continue to scale up.
- The company announced an exclusive partnership with ASOS to launch the brand in India across online and offline channels.
- Ajoio (online fashion business) delivered steady performance, adding ~1.9m new customers.
  - Addition of new brands increased catalogue by 20%
  - 'Big Bold Sale' delivered 20%+ higher traffic and 50% higher conversions vs. BAU
- Among premium category, AjoioLuxe continues to deliver strong growth, with options up 39% YoY. The portfolio has now crossed 700 brands.
- Key launches in the premium category include: a) opening new Pret A Manger stores and b) Exclusive launches by Sephora: Kylie Cosmetics and Rare Beauty's summer collection
- The Jewel category delivered steady growth, led by the launch of new collections 'Vindhya' for Akshay Tiritiya and 'Vivaham' wedding collection. Akshay Tiritiya registered strong growth.

## Standalone – Miss led by sharp decline in product cracks

### Sharp correction in fuel cracks; favorable ethane cracking

- A decline in gasoline cracks and subdued demand led to a 33% decline in PAT on a QoQ basis. In Jul'24 so far, SG GRM is up 12% vs. average of USD3.5/bbl in 1QFY25. As such, 2QFY25 refining profitability could continue to be under pressure (vs. 1QFY25) as volumes for the refining segment are already at the peak.
- **Global diesel demand** decreased by 0.2mb/d YoY to 28.6mb/d, due to low demand in Asia Pacific and Europe. Cracks, however, corrected sharply by 36% QoQ.
- **Global gasoline demand** increased by 0.2mb/d YoY in 1QFY25 to 27.1mb/d, as demand increased from Asia Pacific and the Middle East. Gasoline cracks also declined 36% QoQ. There could be an expected surge in demand during the US driving season.
- **ATF cracks** also declined 37% QoQ.
- **Global oil demand** rose 0.7mb/d YoY, led by Asia, Africa and the Middle East. Demand for Jet and Gasoline remained healthy as global refinery operating rates declined 95bp YoY due to unplanned outages and maintenance activities at refineries. Global cracker operating rates also declined 63bp YoY owing to weak global demand trends and new capacity additions, mainly in the Middle East. Demand from Europe and China weakened.
- **Domestic oil demand** was up 3.4% YoY at 60.9mmt in 1QFY25, led by strong demand for ATF, diesel and petrol. Increasing tourism and travel during summers, robust growth in industrial activities, rising auto sales and increasing air traffic led to robust oil demand in 1QFY25 in the domestic market.
- IEA recently increased its global oil demand estimate for CY24 by about 40kb/d to 1mb/d. It maintained the demand projection for CY25 at 1mb/d. According to IEA, global oil demand growth continues to slow down, with an increase of 710kb/d YoY in 2QCY24, marking the slowest quarterly rise since 4QCY22. The persistent weakness in oil demand, as per IEA, is driven by a contraction in Chinese consumption, an expanding EV fleet and an increase in vehicle efficiency. Refining margin is likely to be supported by: 1) the net refining capacity additions globally at 1.7mb/d until FY26 (trailing oil demand growth of 1mb/d in both CY24 and CY25), and 2) inventories for oil products, which remain at the lower end of the last five-year range, globally.

### Exhibit 34: O2C operating performance

Feedstock (mmt)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	YoY % change
Throughput	19.7	20.0	18.7	19.8	19.8	1%
<b>Production meant for sale</b>	<b>17.2</b>	<b>17.1</b>	<b>16.4</b>	<b>17.1</b>	<b>17.7</b>	<b>3%</b>
Transportation fuels	11.1	11.1	10.2	11.3	11.6	5%
Polymers	1.4	1.5	1.2	1.5	1.4	0%
Fiber Intermediates	0.9	0.9	0.8	0.8	0.7	-22%
Polyesters	0.6	0.6	0.6	0.6	0.7	17%
Chemicals and Others	3.2	3	3.6	2.9	3.3	3%

Source: Company, MOFSL

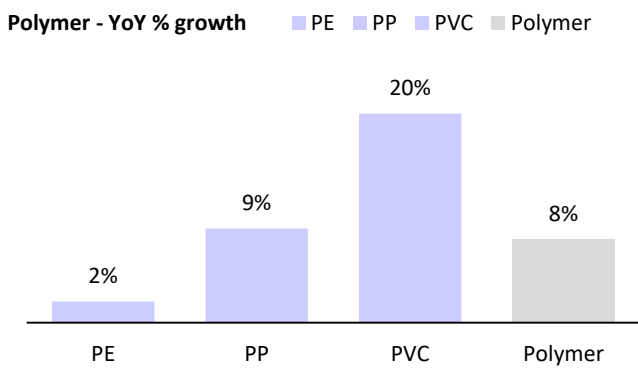
**Petchem – Margin declines YoY in polymer and polyester**

Domestic Polymer demand was up 8% YoY in 1QFY25.

Domestic Polyester demand was up 5% YoY

- On a QoQ basis, petchem spreads for PE, PP, and Polyester products increased. However, a QoQ increase in volumes and increased ethane sourcing to take advantage of low ethane costs in the US likely contributed to a robust petchem segment performance.
- Demand for PE and PP remained healthy during the quarter, led by the infrastructure, FMCG, consumer durables, automotive and e-commerce food packaging sectors. PVC demand saw robust growth, led by the government’s focus on agriculture and infrastructure.
- Overall polymer demand was up 8% YoY. Deltas for PE/PP were at -17%/-16% YoY during the quarter, while they were at +7%/+6% QoQ. PVC deltas were up 17% as EDC prices decreased 10% with improved availability. Lower demand growth globally and firm Naphtha prices led to subdued deltas in polymers.
- Polyester demand was also up by 5% YoY, with PET demand improving 27% due to summer demand from the beverages sector and elections. Demand for PFY was down 4% due to a surge in fabric imports. Demand for PSF was up 9% due to improving downstream operating rates.
- Polyester deltas were down 15% YoY but flat QoQ. PX, PSF and PFY deltas improved owing to planned and unplanned turnarounds and higher Chinese downstream demand.
- **Outlook:** In the near term, we expect stable olefin spreads, considering the start of a new capacity (Long Son Petchem project, 2mmtpa in Vietnam) and a soft demand environment amid high interest rates. However, from 2HFY25 onward, we remain positive on petrochemicals and highlight that: a) CY23 was the last year of substantial supply growth (~5%; CY20-24) for olefins and as such spreads should improve; and 2) globally, inventories for PE/PP remain low and re-stocking can boost margins.

**Exhibit 35: Domestic Polymer demand for 1QFY25**



**Exhibit 36: Domestic Polyester demand for the quarter**

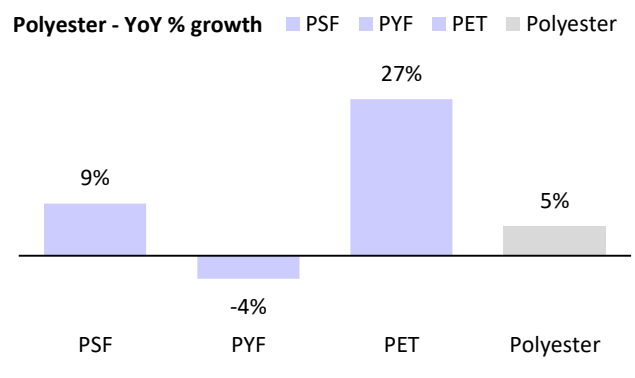
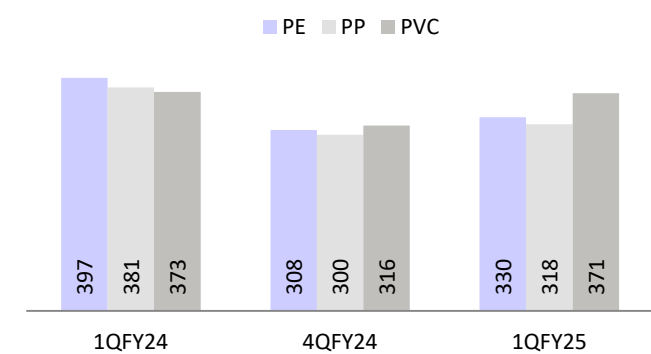
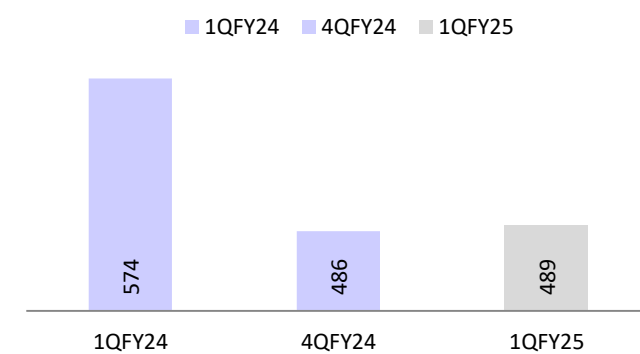


Exhibit 37: Polymer deltas for the quarter (USD/mt)



Source: Company, MOFSL

Exhibit 38: Polyester chain margins in 1QFY25 (USD/mt)



Source: Company, MOFSL

### E&P – primed to create value from the gas business

- Segmental revenue was strong at INR61.8b (up 33% YoY), with EBITDA at INR52.1b in 1QFY25 (up 30% YoY). The company previously announced that the government approved a development plan for incremental production from KG-D6 fields and it expects to add another 4-5mmscmd in the next few years.
- Production at peak potential of ~30mmscmd in the KG-D6 basin.** All 19 wells across three fields have been completed and are producing gas. Going forward, the company will focus on field management and steady production. An additional 40 multi-lateral well programs are also under way as part of the CBM production augmentation plan.
- Production from the KG-D6 field stood at 69.4BCFe (up 44% YoY), with price realization for KG-D6 gas declining 14% YoY to USD9.27/mmBtu in 1QFY25 from USD10.8/mmBtu in 1QFY24. CBM gas production increased YoY, while realization was also lower at USD11.6/mmBtu, down 18% YoY.

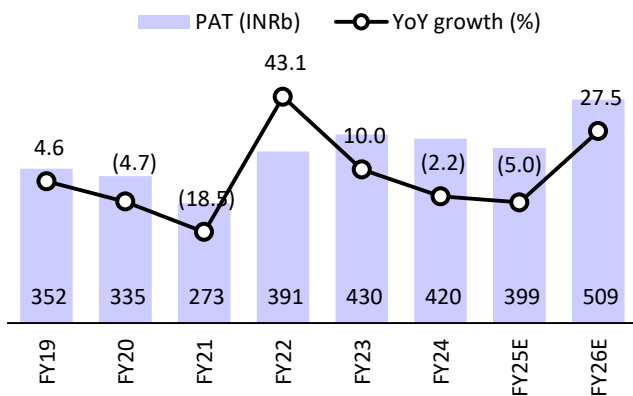
Exhibit 39: Gas production profile and unit price realization

Particulars	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	YoY change	QoQ change
Revenue (INR b)	46.3	66.2	67.2	64.7	61.8	33%	-4%
EBITDA (INR b)	40.2	47.7	58.0	56.1	52.1	30%	-7%
EBITDA margin (%)	86.7%	72.0%	86.4%	86.7%	84.3%	-3%	-3%
<b>Production- BCFe (RIL share)</b>							
KG D6	48.3	68.3	72.3	71.4	69.4	44%	-3%
CBM	2.2	2.1	2.0	2.1	2.3	5%	10%
<b>Price Realization (USD/mmBtu)</b>							
KG D6 (GCV)	10.8	10.5	9.7	9.5	9.3	-14%	-3%
CBM (GCV)	14.2	13.7	15.6	14.3	11.6	-18%	-19%

Source: Company, MOFSL

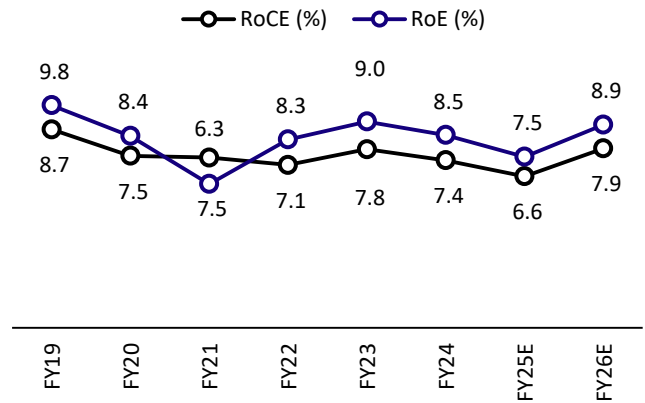
## Standalone business – Story in charts

Exhibit 40: Standalone PAT profile



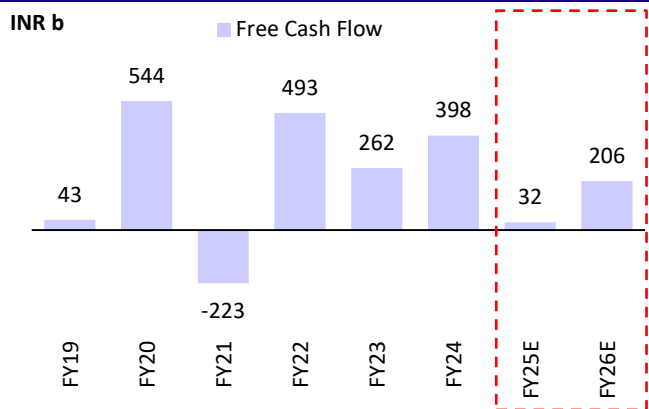
Source: Company, MOFSL

Exhibit 41: Return ratios to stabilize going forward



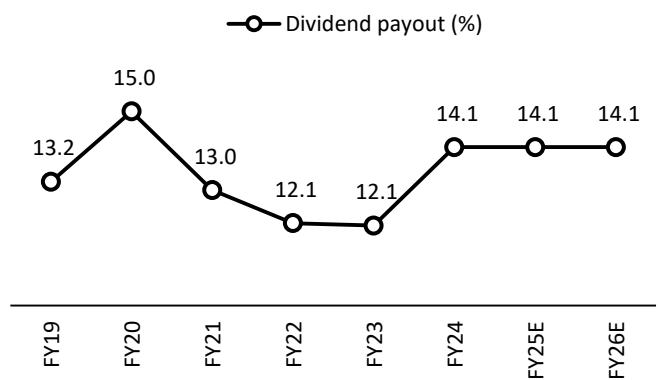
Source: Company, MOFSL

Exhibit 42: Standalone business to generate FCF of INR239b over FY25E-26E...



Source: Company, MOFSL

Exhibit 43: ...with expected dividend payout of ~14.1% going forward



Source: Company, MOFSL

## Reliance Jio Infocomm: Financials and valuations

### Consolidated - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Total Income from Operations</b>	<b>543</b>	<b>699</b>	<b>770</b>	<b>908</b>	<b>1,001</b>	<b>1,183</b>	<b>1,402</b>
Change (%)	33.6	28.7	10.1	17.9	10.3	18.2	18.5
<b>Total Expenditure</b>	<b>327</b>	<b>390</b>	<b>393</b>	<b>441</b>	<b>477</b>	<b>526</b>	<b>582</b>
% of Sales	60.3	55.8	51.1	48.6	47.6	44.5	41.5
<b>EBITDA</b>	<b>216</b>	<b>309</b>	<b>376</b>	<b>467</b>	<b>524</b>	<b>657</b>	<b>819</b>
Margin (%)	39.7	44.2	48.9	51.4	52.4	55.5	58.5
Depreciation	74	115	136	185	214	235	268
<b>EBIT</b>	<b>142</b>	<b>194</b>	<b>240</b>	<b>281</b>	<b>310</b>	<b>422</b>	<b>551</b>
Int. and Finance Charges	66	38	44	41	40	44	39
Other Income	1	5	2	4	5	6	9
<b>PBT after EO Exp.</b>	<b>76</b>	<b>161</b>	<b>199</b>	<b>244</b>	<b>275</b>	<b>383</b>	<b>521</b>
Total Tax	21	41	50	62	70	98	133
Tax Rate (%)	27.2	25.3	25.4	25.5	25.5	25.5	25.5
<b>Reported PAT</b>	<b>56</b>	<b>120</b>	<b>148</b>	<b>182</b>	<b>205</b>	<b>285</b>	<b>388</b>
<b>Adjusted PAT</b>	<b>56</b>	<b>120</b>	<b>148</b>	<b>182</b>	<b>205</b>	<b>285</b>	<b>388</b>
Change (%)	87.7	116.0	23.3	22.9	12.4	39.5	36.0
Margin (%)	10.2	17.2	19.2	20.1	20.4	24.1	27.7

### Consolidated - Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	450	450	450	450	450	450	450
Total Reserves	1,260	1,380	1,528	1,710	1,914	2,199	2,587
<b>Net Worth</b>	<b>1,710</b>	<b>1,830</b>	<b>1,978</b>	<b>2,160</b>	<b>2,364</b>	<b>2,649</b>	<b>3,037</b>
Total Loans	470	300	797	1,529	1,656	1,506	1,256
<b>Capital Employed</b>	<b>2,179</b>	<b>2,129</b>	<b>2,775</b>	<b>3,689</b>	<b>4,020</b>	<b>4,155</b>	<b>4,293</b>
Gross Block	1,772	1,965	2,555	2,867	3,031	5,502	5,858
Less: Accum. Deprn.	138	253	389	615	828	1,063	1,332
<b>Net Fixed Assets</b>	<b>1,634</b>	<b>1,712</b>	<b>2,165</b>	<b>2,252</b>	<b>2,203</b>	<b>4,439</b>	<b>4,527</b>
Capital WIP	213	170	479	1,660	2,079	0	0
<b>Total Investments</b>	<b>25</b>	<b>15</b>	<b>17</b>	<b>17</b>	<b>36</b>	<b>11</b>	<b>11</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>545</b>	<b>604</b>	<b>524</b>	<b>529</b>	<b>556</b>	<b>609</b>	<b>747</b>
Account Receivables	16	14	43	24	15	23	27
Cash and Bank Balance	75	6	6	9	14	64	195
Loans and Advances	454	584	475	496	527	523	525
<b>Curr. Liability &amp; Prov.</b>	<b>238</b>	<b>371</b>	<b>410</b>	<b>768</b>	<b>855</b>	<b>904</b>	<b>992</b>
Account Payables	47	22	20	34	43	29	32
Other Current Liabilities	190	323	313	595	601	625	663
Provisions	1	26	78	140	210	250	297
<b>Net Current Assets</b>	<b>308</b>	<b>233</b>	<b>114</b>	<b>-240</b>	<b>-299</b>	<b>-295</b>	<b>-245</b>
<b>Appl. of Funds</b>	<b>2,179</b>	<b>2,129</b>	<b>2,775</b>	<b>3,689</b>	<b>4,020</b>	<b>4,155</b>	<b>4,293</b>

## Reliance Jio Infocomm: Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>							
<b>EPS</b>	<b>1.2</b>	<b>2.7</b>	<b>3.3</b>	<b>4.0</b>	<b>4.5</b>	<b>6.3</b>	<b>8.6</b>
Cash EPS	2.9	5.2	6.3	8.2	9.3	11.6	14.6
BV/Share	38.0	40.7	44.0	48.0	52.5	58.9	67.5
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>							
FCF per share	-7.7	1.5	0.6	3.2	0.4	4.7	9.1
<b>Return Ratios (%)</b>							
RoE	5.3	6.8	7.8	8.8	9.0	11.4	13.7
RoCE	5.2	6.9	7.4	6.6	6.1	7.8	9.9
RoIC	6.2	7.6	8.5	9.8	11.9	10.5	10.0
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	0.3	0.4	0.3	0.3	0.3	0.2	0.2
Asset Turnover (x)	0.2	0.3	0.3	0.2	0.2	0.3	0.3
Debtor (Days)	11	7	20	10	6	7	7
Creditor (Days)	32	12	10	13	16	9	8
<b>Leverage Ratio (x)</b>							
Current Ratio	2.3	1.6	1.3	0.7	0.7	0.7	0.8
Interest Cover Ratio	2.1	5.0	5.5	6.9	7.8	9.5	14.3
Net Debt/Equity	0.2	0.2	0.4	0.7	0.7	0.5	0.3

### Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	76	161	199	244	275	383	521
Depreciation	74	115	136	185	214	235	268
Interest & Finance Charges	66	38	44	41	40	44	39
Direct Taxes Paid	-12	-1	-1	13	-1	-98	-133
(Inc)/Dec in WC	-40	19	-64	-2	30	47	81
<b>CF from Operations</b>	<b>165</b>	<b>332</b>	<b>313</b>	<b>482</b>	<b>558</b>	<b>611</b>	<b>776</b>
Others	-2	-6	0	-1	-4	-6	-9
<b>CF from Operating incl EO</b>	<b>163</b>	<b>326</b>	<b>313</b>	<b>481</b>	<b>553</b>	<b>605</b>	<b>767</b>
(Inc)/Dec in FA	-508	-257	-288	-335	-533	-392	-356
<b>Free Cash Flow</b>	<b>-345</b>	<b>69</b>	<b>25</b>	<b>146</b>	<b>20</b>	<b>213</b>	<b>411</b>
(Pur)/Sale of Investments	-9	14	-1	1	-16	25	0
Others	-164	0	0	0	1	6	9
<b>CF from Investments</b>	<b>-681</b>	<b>-243</b>	<b>-288</b>	<b>-334</b>	<b>-548</b>	<b>-361</b>	<b>-347</b>
Issue of Eq/Pref.Shares	1,250	0	0	0	0	0	0
Inc/(Dec) in Debt	-538	-120	106	-107	172	-150	-250
Interest Paid	-103	-23	-130	-38	-172	-44	-39
Dividend Paid	0	0	0	0	0	0	0
Others	-20	-8	0	0	0	0	0
<b>CF from Fin. Activity</b>	<b>588</b>	<b>-152</b>	<b>-24</b>	<b>-145</b>	<b>0</b>	<b>-194</b>	<b>-289</b>
<b>Inc/Dec of Cash</b>	<b>70</b>	<b>-69</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>50</b>	<b>132</b>
Opening Balance	0	71	2	2	4	10	60
<b>Closing Balance</b>	<b>71</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>10</b>	<b>60</b>	<b>191</b>
Other Bank Balance	4	4	4	4	4	4	4
<b>Total balance</b>	<b>75</b>	<b>6</b>	<b>6</b>	<b>9</b>	<b>14</b>	<b>64</b>	<b>195</b>

## Reliance Retail: Financials and valuations

### Standalone - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Total Income from Operations</b>	1304	1317	1694	2237	2635	3062	3711
Change (%)	27.9	1.0	28.6	32.0	17.8	16.2	21.2
<b>Total Expenditure</b>	1212	1236	1591	2075	2427	2823	3417
% of Sales	93.0	93.9	93.9	92.8	92.1	92.2	92.1
<b>EBITDA</b>	<b>91</b>	<b>81</b>	<b>103</b>	<b>162</b>	<b>208</b>	<b>240</b>	<b>294</b>
Margin (%)	7.0	6.1	6.1	7.2	7.9	7.8	7.9
Depreciation	11	14	18	30	36	41	45
<b>EBIT</b>	<b>80</b>	<b>66</b>	<b>85</b>	<b>132</b>	<b>172</b>	<b>198</b>	<b>248</b>
Int. and Finance Charges	9	7	20	39	49	55	55
Other Income	3	2	0	1	2	2	2
<b>PBT bef. EO Exp.</b>	<b>74</b>	<b>62</b>	<b>66</b>	<b>94</b>	<b>125</b>	<b>146</b>	<b>196</b>
EO Items	0	0	0	0	0	0	0
<b>PBT after EO Exp.</b>	<b>74</b>	<b>62</b>	<b>66</b>	<b>94</b>	<b>125</b>	<b>146</b>	<b>196</b>
Total Tax	19	16	16	23	32	37	49
Tax Rate (%)	25.4	25.8	25.0	25.0	25.2	25.2	25.2
<b>Reported PAT</b>	<b>55</b>	<b>46</b>	<b>49</b>	<b>70</b>	<b>94</b>	<b>109</b>	<b>146</b>
<b>Adjusted PAT</b>	<b>55</b>	<b>46</b>	<b>49</b>	<b>70</b>	<b>94</b>	<b>109</b>	<b>146</b>
Change (%)	76.5	-17.2	7.6	42.8	33.1	16.3	34.3
Margin (%)	4.2	3.5	2.9	3.1	3.6	3.6	3.9

### Standalone - Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	50	50	50	50	50	50	50
Total Reserves	131	203	253	322	416	525	672
<b>Net Worth</b>	<b>181</b>	<b>253</b>	<b>303</b>	<b>372</b>	<b>466</b>	<b>575</b>	<b>722</b>
Total Loans	47	147	408	709	909	909	909
Deferred Tax Liabilities	0	0	0	0	0	0	0
<b>Capital Employed</b>	<b>228</b>	<b>401</b>	<b>710</b>	<b>1082</b>	<b>1375</b>	<b>1484</b>	<b>1631</b>
Gross Block	114	158	229	620	822	931	1039
Less: Accum. Deprn.	33	43	61	84	120	161	207
<b>Net Fixed Assets</b>	<b>82</b>	<b>114</b>	<b>168</b>	<b>536</b>	<b>701</b>	<b>770</b>	<b>832</b>
Capital WIP	88	106	237	258	258	258	258
<b>Total Investments</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>3</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>180</b>	<b>276</b>	<b>469</b>	<b>488</b>	<b>650</b>	<b>729</b>	<b>872</b>
Inventory	93	123	200	250	285	331	401
Account Receivables	25	60	88	55	65	76	92
Cash and Bank Balance	3	4	5	4	89	77	82
Loans and Advances	58	89	176	179	211	246	298
<b>Curr. Liability &amp; Prov.</b>	<b>128</b>	<b>101</b>	<b>171</b>	<b>203</b>	<b>239</b>	<b>278</b>	<b>337</b>
Account Payables	57	67	129	155	183	212	257
Other Current Liabilities	71	34	41	47	56	65	78
Provisions	0	1	1	1	1	1	2
<b>Net Current Assets</b>	<b>52</b>	<b>174</b>	<b>298</b>	<b>285</b>	<b>411</b>	<b>451</b>	<b>535</b>
<b>Appl. of Funds</b>	<b>228</b>	<b>401</b>	<b>710</b>	<b>1082</b>	<b>1375</b>	<b>1484</b>	<b>1631</b>



## Reliance Retail: Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>							
<b>EPS</b>	<b>11.1</b>	<b>9.2</b>	<b>9.9</b>	<b>14.1</b>	<b>18.8</b>	<b>21.9</b>	<b>29.4</b>
Cash EPS	13.3	12.1	13.5	20.1	26.0	30.1	38.4
BV/Share	36.3	50.8	60.6	74.6	93.4	115.3	144.6
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Return Ratios (%)</b>							
RoE	36.1	21.1	17.8	20.9	22.4	21.0	20.3
RoCE	25.7	16.2	11.6	11.2	10.6	10.5	12.0
RoIC	37.5	23.7	17.2	15.5	14.0	13.7	15.3
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	11.4	8.4	7.4	3.6	3.2	3.3	3.6
Asset Turnover (x)	5.7	3.3	2.4	2.1	1.9	2.1	2.3
Inventory (Days)	26	34	43	41	39	39	39
Debtor (Days)	7	17	19	9	9	9	9
Creditor (Days)	16	19	28	25	25	25	25
<b>Leverage Ratio (x)</b>							
Current Ratio	1.4	2.7	2.7	2.4	2.7	2.6	2.6
Interest Cover Ratio	9.3	9.6	4.3	3.4	3.5	3.6	4.6
Net Debt/Equity	0.2	0.5	1.3	1.9	1.7	1.4	1.1

### Standalone Cashflow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	74	62	66	94	125	146	196
Depreciation	11	14	18	30	36	41	45
Interest & Finance Charges	-2	-2	20	39	49	55	55
Direct Taxes Paid	-11	-14	-12	-20	-32	-37	-49
(Inc)/Dec in WC	84	-61	-75	-43	-41	-52	-79
<b>CF from Operations</b>	<b>156</b>	<b>-1</b>	<b>16</b>	<b>100</b>	<b>138</b>	<b>153</b>	<b>167</b>
Others	9	7	0	-1	-2	-2	-2
<b>CF from Operating incl EO</b>	<b>165</b>	<b>6</b>	<b>16</b>	<b>99</b>	<b>136</b>	<b>151</b>	<b>165</b>
(Inc)/Dec in FA	-67	-82	-203	-365	-201	-110	-107
<b>Free Cash Flow</b>	<b>98</b>	<b>-76</b>	<b>-187</b>	<b>-266</b>	<b>-66</b>	<b>41</b>	<b>58</b>
(Pur)/Sale of Investments	18	0	-1	4	-3	0	0
Others	2	-15	-52	4	2	2	2
<b>CF from Investments</b>	<b>-48</b>	<b>-97</b>	<b>-257</b>	<b>-356</b>	<b>-203</b>	<b>-108</b>	<b>-106</b>
Issue of Shares	0	26	0	0	0	0	0
Inc/(Dec) in Debt	-81	118	260	302	200	0	0
Interest Paid	-9	-6	-19	-45	-49	-55	-55
Dividend Paid	0	0	0	0	0	0	0
Others	-27	-47	0	0	0	0	0
<b>CF from Fin. Activity</b>	<b>-117</b>	<b>91</b>	<b>241</b>	<b>257</b>	<b>151</b>	<b>-55</b>	<b>-55</b>
<b>Inc/Dec of Cash</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>-1</b>	<b>84</b>	<b>-12</b>	<b>5</b>
Opening Balance	3	3	4	5	4	89	77
<b>Closing Balance</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>89</b>	<b>77</b>	<b>82</b>
<b>Other Bank Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Closing balance</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>89</b>	<b>77</b>	<b>82</b>

## RIL: Standalone financials and valuations

### Standalone - Income Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Total Income from Operations</b>	<b>3,716</b>	<b>3,370</b>	<b>2,457</b>	<b>4,237</b>	<b>5,393</b>	<b>5,345</b>	<b>5,020</b>	<b>4,976</b>
Change (%)	28.1	-9.3	-27.1	72.5	27.3	-0.9	-6.1	-0.9
<b>EBITDA</b>	<b>589</b>	<b>528</b>	<b>335</b>	<b>523</b>	<b>668</b>	<b>743</b>	<b>719</b>	<b>897</b>
Margin (%)	15.8	15.7	13.6	12.3	12.4	13.9	14.3	18.0
Depreciation	106	97	92	103	112	177	184	201
<b>EBIT</b>	<b>483</b>	<b>431</b>	<b>243</b>	<b>420</b>	<b>556</b>	<b>566</b>	<b>535</b>	<b>696</b>
Int. and Finance Charges	98	121	162	91	126	134	127	143
Other Income	88	136	148	139	111	121	123	124
<b>PBT bef. EO Exp.</b>	<b>474</b>	<b>446</b>	<b>229</b>	<b>468</b>	<b>541</b>	<b>553</b>	<b>531</b>	<b>677</b>
EO Items	0	-42	43	0	12	0	0	0
<b>PBT after EO Exp.</b>	<b>474</b>	<b>403</b>	<b>272</b>	<b>468</b>	<b>553</b>	<b>553</b>	<b>531</b>	<b>677</b>
Total Tax	122	94	-47	77	111	132	132	168
Tax Rate (%)	25.8	23.3	-17.4	16.5	20.1	23.9	24.8	24.8
<b>Reported PAT</b>	<b>352</b>	<b>309</b>	<b>319</b>	<b>391</b>	<b>442</b>	<b>420</b>	<b>399</b>	<b>509</b>
<b>Adjusted PAT</b>	<b>352</b>	<b>335</b>	<b>273</b>	<b>391</b>	<b>430</b>	<b>420</b>	<b>399</b>	<b>509</b>
Change (%)	4.6	-4.7	-18.5	43.1	10.0	-2.2	-5.0	27.5
Margin (%)	9.5	9.9	11.1	9.2	8.0	7.9	8.0	10.2

### Standalone - Balance Sheet

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	63	63	64	68	68	68	68	68
Total Reserves	3,990	3,849	4,680	4,648	4,723	5,083	5,426	5,863
<b>Net Worth</b>	<b>4,053</b>	<b>3,912</b>	<b>4,745</b>	<b>4,715</b>	<b>4,791</b>	<b>5,151</b>	<b>5,494</b>	<b>5,931</b>
Total Loans	1,572	1,973	1,667	1,946	2,158	2,118	2,118	2,118
Deferred Tax Liabilities	473	506	308	308	340	363	363	363
<b>Capital Employed</b>	<b>6,098</b>	<b>6,391</b>	<b>6,720</b>	<b>6,969</b>	<b>7,289</b>	<b>7,631</b>	<b>7,974</b>	<b>8,412</b>
Gross Block	3,286	4,417	4,512	3,943	4,481	4,831	5,102	5,562
Less: Accum. Deprn.	1,255	1,352	1,444	1,547	1,658	1,835	2,016	2,217
<b>Net Fixed Assets</b>	<b>2,032</b>	<b>3,065</b>	<b>3,068</b>	<b>2,396</b>	<b>2,823</b>	<b>2,996</b>	<b>3,086</b>	<b>3,345</b>
Capital WIP	1,116	280	328	347	544	616	993	1,183
<b>Total Investments</b>	<b>3,317</b>	<b>4,918</b>	<b>3,473</b>	<b>4,088</b>	<b>3,511</b>	<b>3,701</b>	<b>3,701</b>	<b>3,701</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>1,293</b>	<b>1,454</b>	<b>1,851</b>	<b>1,933</b>	<b>2,298</b>	<b>2,040</b>	<b>1,812</b>	<b>1,786</b>
Inventory	441	388	374	459	848	851	799	792
Account Receivables	121	75	42	144	241	147	138	137
Cash and Bank Balance	38	85	56	217	610	692	542	533
Loans and Advances	693	907	1,379	1,113	599	349	333	324
<b>Curr. Liability &amp; Prov.</b>	<b>1,659</b>	<b>3,326</b>	<b>2,001</b>	<b>1,795</b>	<b>1,887</b>	<b>1,722</b>	<b>1,617</b>	<b>1,603</b>
Account Payables	1,626	3,301	1,977	1,770	1,864	1,695	1,592	1,578
Provisions	33	25	24	25	23	27	25	25
<b>Net Current Assets</b>	<b>-366</b>	<b>-1,872</b>	<b>-150</b>	<b>138</b>	<b>411</b>	<b>318</b>	<b>195</b>	<b>183</b>
<b>Appl. of Funds</b>	<b>6,098</b>	<b>6,391</b>	<b>6,720</b>	<b>6,969</b>	<b>7,289</b>	<b>7,631</b>	<b>7,974</b>	<b>8,412</b>

## RIL: Standalone financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>54.6</b>	<b>52.0</b>	<b>42.4</b>	<b>60.6</b>	<b>66.7</b>	<b>65.2</b>	<b>61.9</b>	<b>79.0</b>
Cash EPS	70.9	67.1	56.6	76.6	84.0	92.7	90.5	110.1
BV/Share	658.8	635.8	771.2	766.4	778.7	837.2	892.9	964.0
<b>Valuation (x)</b>								
P/E	57.4	60.2	73.9	51.7	46.9	48.0	50.6	39.7
Cash P/E	44.2	46.7	55.3	40.9	37.3	33.8	34.6	28.4
P/BV	4.8	4.9	4.1	4.1	4.0	3.7	3.5	3.2
EV/Sales	5.8	6.6	8.9	5.2	4.0	4.0	4.3	4.4
EV/EBITDA	36.9	41.8	65.1	41.9	32.6	29.1	30.3	24.3
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4
FCF per share	6.7	84.3	-34.5	76.6	40.6	61.8	5.0	32.0
<b>Return Ratios (%)</b>								
RoE	9.8	8.4	6.3	8.3	9.0	8.5	7.5	8.9
RoCE	8.7	7.5	7.5	7.1	7.8	7.4	6.6	7.9
RoIC	26.1	24.1	14.4	13.6	18.0	16.4	15.0	18.3
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	1.1	0.8	0.5	1.1	1.2	1.1	1.0	0.9
Asset Turnover (x)	0.6	0.5	0.4	0.6	0.7	0.7	0.6	0.6
Inventory (Days)	43	42	56	40	57	58	58	58
Debtor (Days)	12	8	6	12	16	10	10	10
Creditor (Days)	160	358	294	152	126	116	116	116
<b>Leverage Ratio (x)</b>								
Current Ratio	0.8	0.4	0.9	1.1	1.2	1.2	1.1	1.1
Interest Cover Ratio	5.0	3.6	1.5	4.6	4.4	4.2	4.2	4.9
Net Debt/Equity	0.4	0.5	0.3	0.4	0.3	0.3	0.3	0.3

### Standalone - Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>(INR b)</b>								
<b>OP/(Loss) before Tax</b>	<b>474</b>	<b>403</b>	<b>272</b>	<b>468</b>	<b>556</b>	<b>553</b>	<b>531</b>	<b>677</b>
Depreciation	106	97	92	103	112	177	184	201
Interest & Finance Charges	98	121	162	91	126	134	127	143
Direct Taxes Paid	-94	-53	-17	-15	-49	-92	-132	-168
(Inc)/Dec in WC	-193	335	-320	138	-60	78	-28	3
Others	-98	-129	-194	-111	-131	-110	0	0
<b>CF from Operations</b>	<b>292</b>	<b>775</b>	<b>-5</b>	<b>675</b>	<b>553</b>	<b>740</b>	<b>682</b>	<b>856</b>
(Inc)/Dec in FA	-249	-232	-218	-181	-292	-342	-650	-650
<b>Free Cash Flow</b>	<b>43</b>	<b>544</b>	<b>-223</b>	<b>493</b>	<b>262</b>	<b>398</b>	<b>32</b>	<b>206</b>
(Pur)/Sale of Investments	-127	-1,309	1,202	-563	-10	-170	0	0
Others	-163	105	-242	292	223	129	0	0
<b>CF from Investments</b>	<b>-539</b>	<b>-1,436</b>	<b>743</b>	<b>-453</b>	<b>-78</b>	<b>-383</b>	<b>-650</b>	<b>-650</b>
Inc/(Dec) in Debt	415	118	-181	-238	117	-44	0	0
Interest Paid	-116	-145	-143	-110	-140	-169	-127	-143
Dividend Paid	-43	-46	-39	-43	-51	-61	-56	-72
<b>CF from Fin. Activity</b>	<b>258</b>	<b>708</b>	<b>-766</b>	<b>-60</b>	<b>-74</b>	<b>-275</b>	<b>-183</b>	<b>-215</b>
<b>Inc/Dec of Cash</b>	<b>10</b>	<b>47</b>	<b>-29</b>	<b>161</b>	<b>401</b>	<b>82</b>	<b>-151</b>	<b>-8</b>
Opening Balance	27	38	84	56	217	610	692	542
<b>Closing Balance</b>	<b>38</b>	<b>85</b>	<b>56</b>	<b>217</b>	<b>610</b>	<b>692</b>	<b>542</b>	<b>533</b>

## RIL: Consolidated financials and valuations

### Consolidated - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Total Income from Operations</b>	<b>5,967</b>	<b>4,669</b>	<b>7,000</b>	<b>8,795</b>	<b>9,011</b>	<b>9,340</b>	<b>10,163</b>
Change (%)	5.2	-21.8	49.9	25.6	2.5	3.7	8.8
<b>Total Expenditure</b>	<b>5,085</b>	<b>3,862</b>	<b>5,895</b>	<b>7,366</b>	<b>7,388</b>	<b>7,559</b>	<b>7,988</b>
% of Sales	85.2	82.7	84.2	83.8	82.0	80.9	78.6
<b>EBITDA</b>	<b>882</b>	<b>807</b>	<b>1,105</b>	<b>1,429</b>	<b>1,622</b>	<b>1,781</b>	<b>2,176</b>
Margin (%)	14.8	17.3	15.8	16.2	18.0	19.1	21.4
Depreciation	222	266	298	403	508	543	600
<b>EBIT</b>	<b>660</b>	<b>542</b>	<b>807</b>	<b>1,026</b>	<b>1,114</b>	<b>1,238</b>	<b>1,576</b>
Int. and Finance Charges	220	212	146	196	231	234	245
Other Income	140	163	149	118	161	164	167
<b>PBT bef. EO Exp.</b>	<b>579</b>	<b>493</b>	<b>810</b>	<b>948</b>	<b>1,043</b>	<b>1,167</b>	<b>1,498</b>
EO Items	-44	56	28	0	0	0	0
<b>PBT after EO Exp.</b>	<b>535</b>	<b>549</b>	<b>839</b>	<b>948</b>	<b>1,043</b>	<b>1,167</b>	<b>1,498</b>
Total Tax	137	17	163	207	257	290	373
Tax Rate (%)	25.7	3.1	19.4	21.8	24.6	24.8	24.9
Minority Interest	-1	41	69	74	90	107	146
<b>Reported PAT</b>	<b>399</b>	<b>491</b>	<b>607</b>	<b>667</b>	<b>696</b>	<b>771</b>	<b>979</b>
<b>Adjusted PAT</b>	<b>432</b>	<b>437</b>	<b>584</b>	<b>667</b>	<b>696</b>	<b>771</b>	<b>979</b>
Change (%)	8.4	1.1	33.8	14.2	4.4	10.7	27.1
Margin (%)	7.2	9.4	8.3	7.6	7.7	8.3	9.6

### Consolidated - Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	63	64	68	68	68	68	68
Total Reserves	4,428	6,937	7,727	8,144	7,867	8,587	9,508
<b>Net Worth</b>	<b>4,492</b>	<b>7,002</b>	<b>7,795</b>	<b>8,212</b>	<b>7,935</b>	<b>8,654</b>	<b>9,576</b>
Minority Interest	122	993	1,095	1,130	1,323	1,323	1,323
Total Loans	2,914	2,238	2,820	3,351	3,461	3,461	3,461
Deferred Tax Liabilities	541	370	496	603	722	722	722
<b>Capital Employed</b>	<b>8,069</b>	<b>10,602</b>	<b>12,206</b>	<b>13,296</b>	<b>13,442</b>	<b>14,161</b>	<b>15,083</b>
Gross Block	7,450	7,802	8,938	10,289	11,321	14,632	16,254
Less: Accum. Deprn.	2,226	2,492	2,790	3,193	3,701	4,244	4,845
<b>Net Fixed Assets</b>	<b>5,224</b>	<b>5,310</b>	<b>6,148</b>	<b>7,096</b>	<b>7,620</b>	<b>10,388</b>	<b>11,410</b>
Goodwill on Consolidation	103	102	130	137	150	150	150
Capital WIP	1,091	1,260	1,725	2,938	3,389	1,278	856
<b>Total Investments</b>	<b>2,768</b>	<b>3,648</b>	<b>3,943</b>	<b>3,366</b>	<b>2,257</b>	<b>2,257</b>	<b>2,257</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>2,474</b>	<b>2,892</b>	<b>3,051</b>	<b>3,598</b>	<b>4,145</b>	<b>4,358</b>	<b>5,056</b>
Inventory	739	817	1,078	1,400	1,528	1,583	1,723
Account Receivables	197	190	236	285	316	328	357
Cash and Bank Balance	309	174	362	747	972	1,069	1,478
Loans and Advances	1,229	1,711	1,375	1,167	1,329	1,377	1,498
<b>Curr. Liability &amp; Prov.</b>	<b>3,590</b>	<b>2,610</b>	<b>2,791</b>	<b>3,839</b>	<b>4,118</b>	<b>4,269</b>	<b>4,645</b>
Account Payables	968	1,089	1,593	1,472	1,784	1,849	2,012
Other Current Liabilities	2,581	1,465	1,159	2,329	2,292	2,376	2,585
Provisions	41	56	38	38	42	44	48
<b>Net Current Assets</b>	<b>-1,116</b>	<b>282</b>	<b>260</b>	<b>-241</b>	<b>27</b>	<b>89</b>	<b>411</b>
<b>Appl. of Funds</b>	<b>8,069</b>	<b>10,602</b>	<b>12,206</b>	<b>13,296</b>	<b>13,442</b>	<b>14,161</b>	<b>15,083</b>

## RIL: Consolidated financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>							
<b>EPS</b>	<b>68.1</b>	<b>67.7</b>	<b>86.4</b>	<b>98.6</b>	<b>102.9</b>	<b>113.9</b>	<b>144.8</b>
Cash EPS	101.5	109.0	136.9	166.1	186.9	203.8	245.1
BV/Share	697	1,086	1,209	1,274	1,231	1,343	1,486
DPS	6.0	6.4	7.0	7.9	6.9	7.6	8.5
Payout (%)	11.6	8.4	7.8	8.0	6.7	6.6	5.9
<b>Valuation (x)</b>							
P/E	45.8	46.0	36.1	31.6	30.3	27.4	21.5
Cash P/E	30.7	28.6	22.8	18.8	16.7	15.3	12.7
P/BV	4.5	2.9	2.6	2.4	2.5	2.3	2.1
EV/Sales	3.8	4.7	3.4	2.7	2.6	2.5	2.3
EV/EBITDA	25.7	27.4	21.3	16.6	14.5	13.2	10.6
Dividend Yield (%)	0.2	0.2	0.2	0.3	0.2	0.2	0.3
FCF per share	-22.1	14.3	-18.3	22.8	15.8	0.0	0.0
<b>Return Ratios (%)</b>							
RoE	10.3	7.6	7.9	8.3	8.6	9.3	10.7
RoCE	8.5	8.2	7.8	8.1	8.4	9.0	10.4
RoIC	14.5	11.1	11.1	12.9	12.8	11.4	11.8
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	0.8	0.6	0.8	0.9	0.8	0.6	0.6
Asset Turnover (x)	0.7	0.4	0.6	0.7	0.7	0.7	0.7
Inventory (Days)	45	64	56	58	62	62	62
Debtor (Days)	12	15	12	12	13	13	13
Creditor (Days)	59	85	83	61	72	72	72
<b>Leverage Ratio (x)</b>							
Current Ratio	0.7	1.1	1.1	0.9	1.0	1.0	1.1
Interest Cover Ratio	3.0	2.6	5.5	5.2	4.8	5.3	6.4
Net Debt/Equity	0.6	0.3	0.3	0.3	0.3	0.3	0.2

### Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
PBT	536	555	839	948	1,043	1,167	1,498
Depreciation	222	266	298	403	508	543	600
Tax paid	-84	-32	-38	-207	-257	-290	-373
Change in deferred tax liability	0	0	0	0	119	0	0
Change in net working capital	219	-507	7	-196	64	35	86
Misc	87	-19	1	202	110	-107	-146
<b>Operating cash flow</b>	<b>981</b>	<b>262</b>	<b>1,107</b>	<b>1,150</b>	<b>1,588</b>	<b>1,348</b>	<b>1,666</b>
Capex	-756	-1,035	-970	-1,318	-1,420	-1,200	-1,200
Change in investments	141	-473	3	294	170	0	0
Misc	-142	92	-124	154	107	0	0
<b>Investing cash flows</b>	<b>-757</b>	<b>-1,416</b>	<b>-1,092</b>	<b>-870</b>	<b>-1,143</b>	<b>-1,200</b>	<b>-1,200</b>
Change in borrowings	356	-837	99	381	266	0	0
Misc	-337	-241	-285	-231	-372	0	0
Issuance of equity	1	2,136	402	5	0	0	0
Others	-335	1,895	117	-225	-372	0	0
Dividend paid	-46	-39	-43	-51	-61	-51	-58
<b>Financing cash flow</b>	<b>-25</b>	<b>1,019</b>	<b>173</b>	<b>105</b>	<b>-166</b>	<b>-51</b>	<b>-58</b>
Net change in cash	198	-135	188	385	278	97	408
Closing cash balance	309	174	362	747	972	1,069	1,478

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NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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