

Reliance Industries

BSE SENSEX
78,248

S&P CNX
23,645

CMP: INR1,244

TP: INR1,605 (+29%)

Buy



Stock Info

Bloomberg	RELIANCE IN
Equity Shares (m)	13532
M.Cap.(INRb)/(USD b)	16865.9 / 195.6
52-Week Range (INR)	1609 / 1202
1, 6, 12 Rel. Per (%)	5/-11/-15
12M Avg Val (INR M)	19747

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	9,011	9,404	9,755
EBITDA	1,622	1,652	1,915
Adj. PAT	696	685	825
Adj. EPS (INR)	51.4	50.6	61.0
EPS Gr. (%)	4.4	-1.6	20.5
BV/Sh. (INR)	586	631	686

Ratios

RoE (%)	8.6	8.3	9.3
RoCE (%)	7.6	7.7	8.7

Valuations

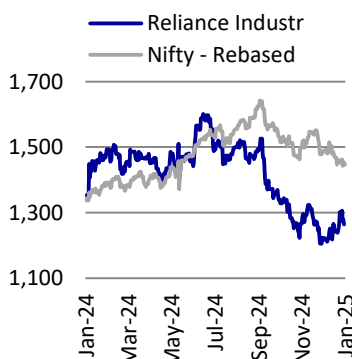
P/E (x)	24.2	24.6	20.4
EV/EBITDA (x)	12.6	12.4	10.5
P/BV (X)	2.3	2.2	2.1

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	49.1	49.1	49.1
DII	18.8	17.4	16.4
FII	20.8	23.1	24.0
Others	11.3	10.4	10.5

FII includes depository receipts

Stock Performance (1-year)



Multiple re-rating triggers in CY25; risk-reward compelling

Reliance Industries (RIL) has underperformed the broader benchmark equity indices over the past few years and delivered negative returns in CY24, a first in the past 10 years. We believe RIL's recent underperformance has been driven by continued earnings downgrades due to growth moderation in Reliance Retail (RR) and weak refining and petchem cracks. After the steep correction (RIL: -17% in past six months), we believe the risk-reward is compelling as RIL now trades at our bear case valuation – Reliance Jio (RJio) at 10% discount to Bharti's current valuation, high-single-digit growth in core retail revenue/EBITDA and no improvement in O2C earnings over FY24-27E. Further, we believe a moderation in capex intensity, ~INR900b FCF generation over FY24-27E, and deleveraging are currently underappreciated. The start of mega-factories in New Energy (FY25 end), the potential listing of RJio (likely 2HCY25) and growth recovery in RR (FY26) are the key medium-term triggers for RIL. Reiterate BUY with a TP of INR1,605 (bear: INR1,215; bull: INR1,930).

- RJio, with a ~20% EBITDA CAGR over FY24-27E, is likely to be the biggest earnings growth driver for RIL over the medium term, driven by more frequent tariff hikes, market share gains, and FWA ramp-up.
- With streamlining of operations coming to an end, we believe RR will get back to low-teen revenue/EBITDA growth from FY26 onward, driven by footprint addition and ramp-up of new categories/formats.
- After two quarters of weakness, GRM improved in 3Q, though petchem cracks are likely to remain subdued in the medium term.
- We believe RIL's capex likely peaked in FY24 with the completion of 5G rollouts. Capex could increase in New Energy but will likely be funded by robust cash flow generation by RIL standalone (INR600-700b annually).
- We expect RIL to generate cumulative FCF of ~INR900b over FY24-27, led by standalone and RJio, which should lead to further deleveraging.

Reliance Jio: 5G monetization through FWA, tariff hike key triggers

- The flow-through of the Jul'24 tariff hike has been decent, with ARPU up ~12% over the last two quarters and full benefits likely to accrue by Mar'25.
- Further, we believe the subscriber churn for RJio was largely restricted to its inactive subscriber base as reflected in improvement in RJio's VLR (peak-active) proportion to an all-time high of 97%.
- Given the consolidated market structure in the Indian telecom industry, higher data consumption, lower ARPU, and inadequate returns generated by telcos, we expect tariff hikes to be more frequent. We continue to build in a ~15% tariff hike (or INR50/month increase in base pack) in Dec'25.
- Despite Vi's large capex plans, we believe RJio (and Bharti) will likely continue to gain market share at Vi's expense.
- With the ramp-up of FWA (AirFiber) offerings, the pace of subscriber additions in Home Broadband accelerated to ~2m in 3QFY25.
- We expect RJio's fixed broadband connections to reach ~35m by FY27 and the contribution from the Broadband business is likely to increase to ~12% by FY27 (vs. ~7% currently).

- With an estimated CAGR of ~17%/20% in revenue/EBITDA over FY24-27, RJio is likely to be the biggest growth driver for RIL in the medium term.

Reliance Retail: Growth recovery vital for re-rating

- Over the past few quarters, Reliance Retail (RR) has been streamlining its operations by closing unprofitable stores and adopting a more calibrated approach to the B2B business.
- RR's slower footprint additions, combined with weaker discretionary spends in key categories, have resulted in moderation in revenue growth.
- Despite the boost from the tariff hike in connectivity and some recovery in 3Q on festive demand, RR posted modest ~3% YoY growth in net revenue in 9MFY25.
- However, driven by streamlining of operations, operating EBITDA margin has improved in 9M, despite rising share of low-margin connectivity business.
- With streamlining of operations nearing end, we expect RR to get back to mid-teen revenue/EBITDA growth from FY26 onward, driven by store footprint additions and ramp-up of new categories/formats.
- RR is the biggest contributor (~38%) to our SoTP valuations for RIL and a recovery in its growth is likely to be the biggest trigger for the stock.
- In our base case, we estimate a modest CAGR of 8.5%/12% in RR's core retail/overall gross revenue over FY24-27 (significantly below 17-18% CAGR over FY20-24), with broadly stable EBITDA margin of 8.3% by FY27 (similar to 3QFY25).
- A quicker recovery in discretionary spends, a faster ramp-up in RIL's consumer foray, and new category/format launches could be upside risks.

O2C: Refining margins likely bottomed in 2Q; petchem to remain soft

- IEA estimates the global refining capacity additions to be modest at 3.3mb/d over CY24-30, with downside risks from refinery closures. Further, beyond CY26, the net refinery capacity additions are expected to be sparse.
- While negligible refining capacity addition after CY26 (~0.5mb/d annually on average) would be beneficial for refining margins, global oil demand is also likely to be weak (modest 0.4mb/d increase over CY27-30 as per IEA) and would likely cap SG complex margins at USD6-6.5/bbl in the near term.
- We estimate RIL's standalone GRM of USD8.9/9 per bbl in FY26/FY27. For every USD1/bbl change in GRM, RIL's EBITDA changes by ~INR42b (~2% of FY26/27 consol EBITDA).
- Petchem cracks have remained weak and we do not expect a sharp recovery in the next few quarters as global capacity additions remain aggressive for products such as PE and PP, based on the commentary from South East Asian petchem players.
- After a subdued 1HFY25, RIL reported modest recovery in **consolidated** O2C EBITDA in 3QFY25. However, we note that our FY27 consol O2C EBITDA is largely similar to FY24 levels and could have upside risks from recovery in the petchem cycle and a higher contribution from petro retail marketing JV.

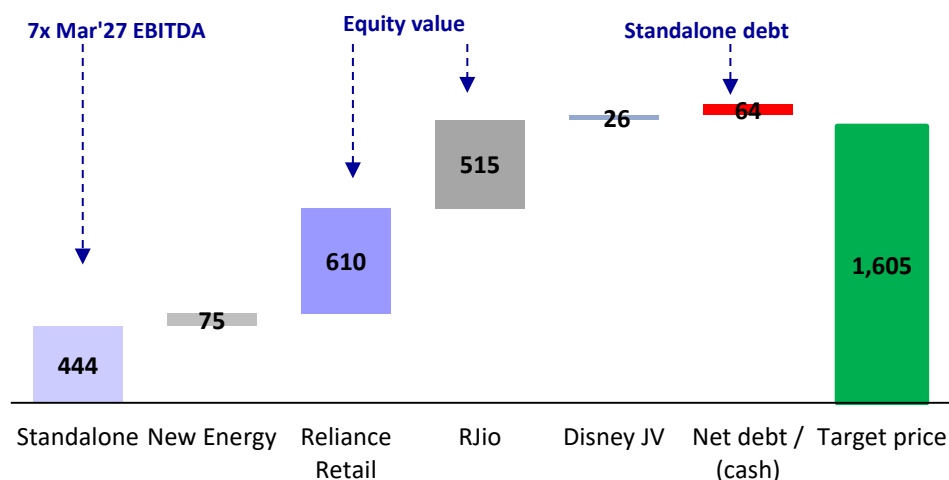
New Energy: Earnings to ramp up FY28 onward; ascribe INR75/sh value

- RIL's New Energy business is reaching a transformative milestone, marked by the start of phase I of solar module manufacturing capacity in 4QFY25. This will be followed by the commencement of operations in cell manufacturing and phase II of module manufacturing in the next two quarters.
- RIL has invested USD3-4b so far in New Energy. We believe as the integrated solar PV and battery ventures commence, the balance USD6-7b will be invested over the next 2-3 years.
- Further, given its plan to set up 100GW of RE generation, the initially guided capex of USD10b is likely to be exceeded.
- We estimate total capex of INR1t for RIL's two major verticals (Solar PVs and battery manufacturing) in its New Energy business.
- With operating cash flow generation of ~INR600-700b in the consol O2C+E&P business and low capex (INR150-200b), we believe robust O2C cash flows can continue to fund New Energy capex.
- We believe RIL's Solar PV factory can generate EBITDA of INR81b at full utilization in FY29E. We estimate RoE/RoCE of 16%/9%, at full utilization.
- As such, we do not build in any contribution from New Energy until FY27, though we believe that with scale and cost/technology superiority, New Energy could be the key profit growth driver for RIL in the longer term.

Valuation and view

- We estimate a CAGR of ~10% in consolidated EBITDA and PAT each over FY24-27, driven by a double-digit EBITDA CAGR in RJio (wireless tariff hikes and FWA ramp-up) and mid-teen growth in RR over FY26-27. After a subdued FY25, we expect earnings to recover for the O2C segment, driven by improvement in refining margins. However, our FY27E consolidated EBITDA for O2C and E&P is broadly similar to FY24 levels, which could have upside risks.
- We model an annual consolidated capex of INR1.25-1.3t for RIL as the moderation in RJio capex is likely to be offset by higher capex in New Energy forays. However, we believe the peak of capex is behind, which should lead to FCF generation (~INR900b over FY24-27) and a decline in consol. net debt.
- For **RR**, we ascribe a blended EV/EBITDA multiple of 32.5x (35x for core retail and 6.5x for connectivity), based on average valuations for retail peers (DMart, Trent, Metro Brands and Vedant Fashions) to arrive at an EV of ~INR10.1t (~USD120b) for RRVL and an attributable value of INR610/share for RIL's stake in RRVL.
- We value **RJio** on DCF implied ~12.5x FY27E EV/EBITDA to arrive at our enterprise valuation of INR12.1t (USD134b) and assign ~USD10b valuation to other offerings under JPL. Factoring in net debt and 33.5% minority stake, the attributable value for RIL comes to INR515/share.
- Using the SoTP method, we value the O2C/E&P segments at 7.5x/6x Mar'27E EV/EBITDA to arrive at an enterprise value of INR444/sh for the standalone business. We ascribe an equity valuation of INR515/sh and INR610/sh to RIL's stake in JPL and RRVL, respectively. We assign INR75/sh (~INR1t equity value) to the New Energy business and INR26/sh to RIL's stake in Disney JV (based on transaction value). **Reiterate BUY with a TP of INR1,605.**

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



Source: MOFSL, Company

Exhibit 2: RIL Cons. – summary of our revised estimates (INR b)

RIL Consol	FY25E	FY26E	FY27E
Revenue			
Old	9,404	9,789	10,414
Actual/New	9,404	9,755	10,328
Change (%)	0%	0%	-1%
EBITDA			
Old	1,664	1,917	2,142
Actual/New	1,652	1,915	2,130
Change (%)	-1%	0%	-1%
PAT			
Old	698	826	928
Actual/New	687	825	920
Change (%)	-2%	0%	-1%

Source: Company, MOFSL

Exhibit 3: RIL Standalone – summary of our revised estimates (INR b)

RIL Standalone	FY25E	FY26E	FY27E
Revenue			
Old	5,146	4,998	5,016
Actual/New	5,146	4,998	5,016
Change (%)	0%	0%	0%
EBITDA			
Old	582	645	651
Actual/New	582	645	651
Change (%)	0%	0%	0%
PAT			
Old	331	363	360
Actual/New	329	372	370
Change (%)	-1%	2%	3%

Source: Company, MOFSL

Exhibit 4: RJio – summary of our revised estimates (INR b)

Rjio	FY25E	FY26E	FY27E
Revenue			
Old	1,149	1,363	1,596
Actual/New	1,144	1,361	1,590
Change (%)	0%	0%	0%
EBITDA			
Old	610	752	910
Actual/New	606	747	899
Change (%)	-1%	-1%	-1%
PAT			
Old	252	330	416
Actual/New	250	328	410
Change (%)	-1%	-1%	-1%

Source: Company, MOFSL

Exhibit 5: Retail – summary of our revised estimates (INR b)

RRVL	FY25E	FY26E	FY27E
Revenue			
Old	2,857	3,319	3,853
Actual/New	2,857	3,285	3,767
Change (%)	0%	-1%	-2%
EBITDA			
Old	232	271	320
Actual/New	235	271	312
Change (%)	2%	0%	-2%
PAT			
Old	112	133	162
Actual/New	119	139	163
Change (%)	6%	5%	0%

Source: Company, MOFSL

Compelling risk-reward; RIL trading near our bear case valuations

Based on our analysis of various scenarios for RIL's three key segments, we believe the risk-reward is compelling as RIL is currently trading close to our bear-case valuations. At CMP, we believe RIL is discounting 1) RJio valuation at 10% discount to Bharti's current valuation, 2) a high-single-digit CAGR in core retail revenue/EBITDA over FY24-27, 3) no improvement in O2C earnings over FY24-27, 4) zero value for media JV with Disney, and 5) modest ~INR335b valuation for New Energy (~1x capex incurred so far).

- Base case:** In our base case, we assume RJio to deliver a CAGR of 17%/20% in revenue/EBITDA over FY24-27, with FY27E ARPU at INR255 (vs. INR203 in 3QFY25). We assume a CAGR of ~8.5%/13% in core retail revenue/operational EBITDA for RR over FY24-27 (significantly below ~18%/23% CAGRs over FY20-24). For O2C, we assume a recovery in consol O2C integrated margins to USD13.8/bbl by FY27E (vs. USD12.2/bbl in 9MFY25), but still lower than USD15.2/bbl in FY24. We ascribe INR26/INR75 per share value to RIL's media JV stake and New Energy foray. Under this scenario, we arrive at a TP of INR1,605/share for RIL, which implies ~29% upside to CMP.
- Bear case:** In our bear case, we assume RJio to deliver a CAGR of 14%/17% in revenue/EBITDA over FY24-27, with FY27E ARPU at INR242 (5% below our base case ARPU). We assume a modest CAGR of ~5%/10% in core retail revenue/operational EBITDA for RR over FY24-27. For O2C, we assume only a modest recovery in consol O2C integrated margins to USD12.7/bbl by FY27 (vs. USD12.2/bbl in 9MFY25). We ascribe zero value to RIL's media JV and lower ~INR25 per share value to New Energy foray (1x current invested amount of ~INR340b). Under this scenario, we arrive at a bear case TP of INR1,255/share for RIL, which implies ~0% upside to CMP.
- Bull case:** In our bull case, we assume RJio to deliver a CAGR of 19%/24% in revenue/EBITDA over FY24-27, with FY27 ARPU at INR268 (5% above our base case ARPU). We assume slight recovery in RR with a CAGR of ~10%/15% in core retail revenue/operational EBITDA over FY24-27 for RR (well below ~18%/23% CAGRs over FY20-24). For O2C, we assume a stronger recovery in consol O2C integrated margins to ~USD15/bbl by FY27 (vs USD12.2/bbl in 9MFY25), which is still lower than FY24 margins. We ascribe INR35/INR75 per share value to RIL's media JV stake and New Energy foray. Under this scenario, we arrive at a TP of INR1,930/share for RIL, which implies ~55% upside to CMP.

Exhibit 6: RIL's equity value under various scenarios

RIL equity value (INR b)	Bear	Base	Bull
JPL attributable value	5,757	6,963	8,529
RRVL attributable value	6,501	8,251	10,013
Disney JV	-	347	474
Energy (O2C+E&P) EV	5,136	6,012	6,869
New Energy	336	1,015	1,015
Standalone net debt	-950	-864	-790
RIL equity value	16,781	21,725	26,110

Source: MOFSL, Company

Exhibit 7: RIL's SoTP based TP under various scenarios

RIL SoTP (INR/share)	Bear	Base	Bull
JPL	425	515	630
RRVL	480	610	740
Disney JV	0	26	35
Energy (O2C+E&P) EV	380	444	508
New Energy equity	25	75	75
Standalone net debt	-70	-64	-58
RIL TP	1,240	1,605	1,930

Upside/downside

0% 29% 55%

Source: MOFSL, Company

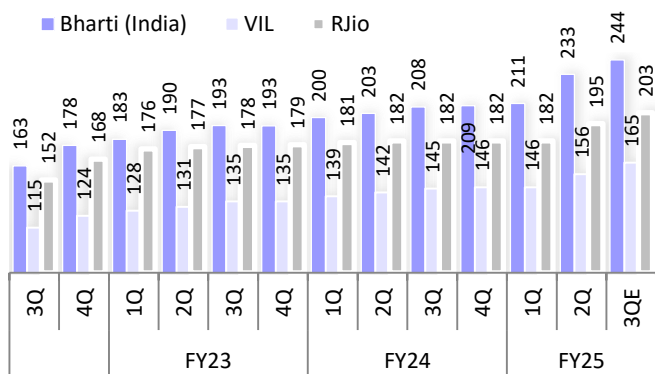
Digital services (RJio): Likely to be the biggest growth driver over FY24-27

More frequent tariff hikes to drive robust growth over FY24-27

The pass-through of the Jul'24 tariff hike has been encouraging, with 7-11% QoQ increase in ARPU for the private telcos in 2QFY25. RJio's ARPU growth was weaker than our expectations in 3QFY25, with modest ~4% QoQ growth. However, given a higher proportion of RJio's subscribers on long validity plans, we expect the full benefits of the tariff hikes to reflect with a lag by Mar'25.

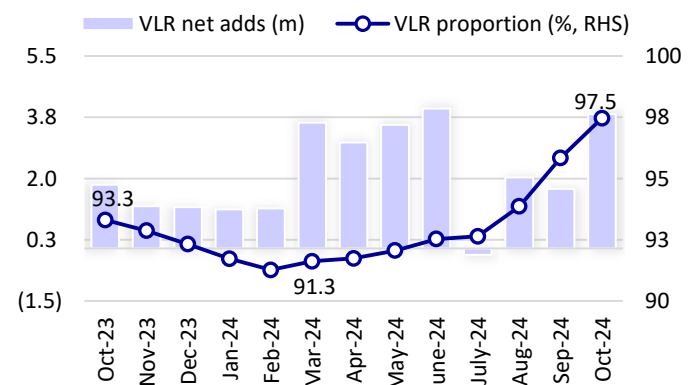
RJio reported ~13m wireless subs decline in 2QFY25 and further ~4m wireless subs decline in Oct'24. However, RJio's VLR subscriber base increased by ~7m (vs. ~16m decline in reported subs) over Jul-Oct'24, indicating that the subscriber churn for RJio was driven primarily by the clean-up of its inactive subscriber base, rather than churn due to tariff hikes. RJio's net adds were in positive territory in Nov'24. Further, RJio's VLR subs proportion reached an all-time high of ~97% in 3QFY25, indicating improvement in the overall subscriber mix. RJio added ~1.3m net wireless subs in 3QFY25 and we expect overall wireless subscriber trends to normalize going ahead.

Exhibit 8: RJio's ARPU rose ~12% during 1QFY25 to 3QFY25 on tariff hikes



Source: MOFSL, Company

Exhibit 9: Despite reporting subs decline, RJio's VLR (peak active) net adds remain robust



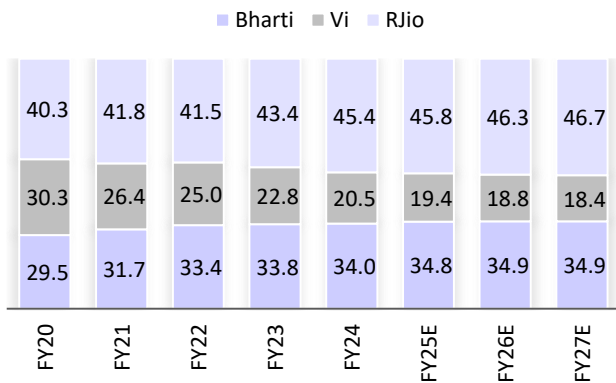
Source: MOFSL, Company

Given the consolidated market structure in the Indian telecom industry, higher data consumption, lower ARPU, and inadequate returns generated by telcos, we expect tariff hikes to be more frequent. We build in ~15% tariff hike in Dec'25, which should boost ARPU and revenue growth over FY24-27.

RJio's market share gains likely to continue despite Vi's network rollouts

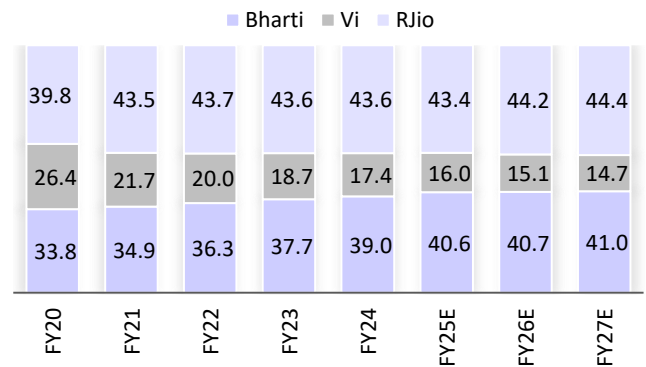
Vi is considering a capex of INR500-550b over FY24-27 to boost its network coverage and capacity. However, we believe Vi's capex outlay remains dependent on the closure of its debt raise, which has proven difficult. We do not see any significant impact of Vi's capex on RJio/Bharti as we believe the gap in the network rollout for Vi (vs. Bharti and RJio) is too big to bridge, and subscriber gains for Vi would be difficult given the healthy FCF generation for peers. We believe the pace of market share gain may slow down but RJio (and Bharti) is likely to continue gaining market share at Vi's expense.

Exhibit 10: RJio and Bharti continue to gain subscriber market share at Vi's expense



Source: MOFSL, Company

Exhibit 11: RJio and Bharti continue to gain revenue market share at Vi's expense



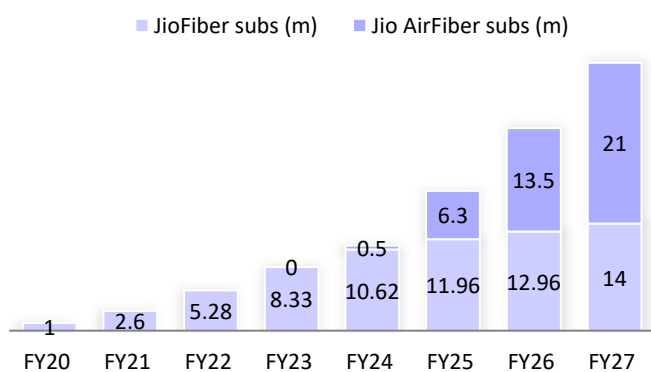
Source: MOFSL, Company

FWA ramp-up to drive growth in non-wireless revenue

Globally, fixed wireless access (FWA) has emerged as the first commercial use-case for 5G. Within a short span, RJio has ramped up its FWA offering, Jio AirFiber, to 4.5m homes and is on course to become the largest FWA provider globally in the next few quarters. With the ramp-up in AirFiber, the pace of RJio's net additions in Homes Broadband has accelerated to ~2m home connects in 3QFY25 and the target is to further scale up subscriber net adds to ~3m homes/quarter. We expect RJio's home broadband subscriber base (including FTTH and FWA) to rise to ~35m by FY27 (vs. ~16m in Dec'24).

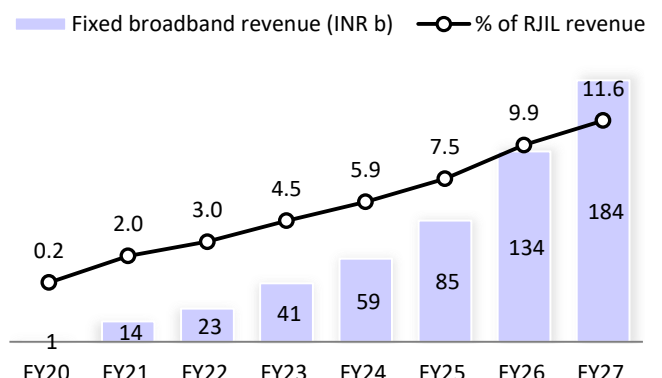
Given higher ARPU (INR500/month vs. ~INR200/month in wireless), the contribution from the Broadband business to RJio's overall revenue is likely to increase to ~12% by FY27 (vs. ~7% currently).

Exhibit 12: Ramp-up of Jio AirFiber to drive acceleration in RJio's Fixed Broadband subs



Source: MOFSL, Company

Exhibit 13: Revenue contribution from the broadband business to rise to ~12% by FY27 (vs. ~7% currently)



Source: MOFSL, Company

Over the last few years, RJio has sharpened its focus on the Enterprise segment, winning several network transformation deals. Further, RJio is also looking to monetize its own 5G stack. Currently, we do not ascribe any value to RJio's B2B business or the 5G stack, but we believe these forays could provide further upsides over the medium term.

Ascribe USD143b enterprise value to JPL (INR515/share for RIL's stake)

- Base case:** We build in an ARPU CAGR of ~12% over FY24-27, with **FY27E ARPU at INR255** (up 26% vs. INR203 ARPU in 3QFY25), driven by a ~15% tariff hike in Dec'25 and rising contribution from FWA/FTTH. We expect RJio's total subscriber base to rise to 532m (vs. 482m in Dec'24), driven by market share gains in the wireless business and further ramp-up in FWA. As a result, we build in a **CAGR of 17%/20% in revenue/EBITDA over FY24-27**. We ascribe a DCF-based EV/EBITDA multiple of **12.6x** to arrive at an enterprise value of **INR12.1t (or ~USD143b)** for JPL and an attributable value of **INR515/share** for RIL's stake in JPL, in our base case. Our enterprise value for JPL is **largely similar to our ascribed enterprise value for Bharti's India business** in our TP of INR1,890.
- Bear case:** In our bear case, we build an ARPU CAGR of ~10% over FY24-27, with **FY27E ARPU at INR242** (5% lower than our base case). We expect RJio's total subscriber base to rise to 520m (vs. 532m in base case). As a result, we build in a **CAGR of ~15%/17% in revenue/EBITDA over FY24-27**. In this case, we ascribe an EV/EBITDA multiple of **11.5x** to arrive at an enterprise value of **INR10.3t (or ~USD122b)** for JPL and an attributable value of **INR425/share** for RIL's stake in JPL. We note that our **bear case enterprise valuation for JPL is ~10% lower than the current implied EV for Bharti's India business**.
- Bull case:** In our bull case, we build an ARPU CAGR of ~14% over FY24-27, with **FY27E ARPU at INR268** (5% higher than our base case) and expect RJio's overall subscriber base to rise to 545m (vs. 532m in base case). As a result, we build in a **CAGR of ~19%/24% in revenue/EBITDA over FY24-27**. In this case, we ascribe an EV/EBITDA multiple of ~**13.5x** to arrive at an enterprise value of **INR14.4t (or ~USD170b)** for JPL and an attributable value of **INR630/share** for RIL's stake in JPL. Our bull case enterprise valuation for JPL is 3% higher than **our ascribed enterprise value for Bharti's India business** in our bull case TP of INR2,200.

Exhibit 14: Key assumptions for Reliance Jio standalone

Key operating and financial metrics	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
EoP wireless subs (m)	388	424	405	431	471	471	482	497
Wireless ARPU (INR/month)	130	141	150	173	174	187	215	239
EoP Broadband (inc. FWA) subs (m)	1	3	5	8	11	18	26	35
Blended broadband ARPU (INR/month)	—	662	496	503	503	485	500	499
Overall subscribers at end-period (m)	389	426	410	439	482	489	508	532
Blended ARPU (INR/month)	130	143	153	178	181	196	227	255
Financials (INR b)								
Revenue	543	699	770	908	1,001	1,144	1,361	1,590
EBITDA	216	309	376	467	524	606	747	899
Overall EBITDA margins (%)	39.7	44.2	48.9	51.4	52.4	52.9	54.8	56.5
Net income	56	120	148	182	205	250	328	410
Balance sheet								
Net-worth	1,710	1,830	1,978	2,160	2,364	2,613	2,941	3,351
Effective net debt	495	511	971	1,979	2,090	1,927	1,609	1,189
Invested capital	2,144	2,295	3,227	4,682	5,299	5,698	6,060	6,427
Cash flow								
Operating cash flow	92	275	233	404	351	500	638	787
Working capital	-37	19	-64	-2	30	25	22	-16
Capital expenditure inc. DPL repayments	-518	-261	-481	-336	-534	-461	-493	-449
Free cash flow	-462	34	-313	66	-153	64	168	322
Returns (%)								
RoAE	5.3	6.8	7.8	8.8	9.0	10.0	11.8	13.0
RoACE	5.2	6.4	6.7	5.9	5.4	6.2	8.0	10.0
CRoCI	8.4	11.5	9.8	8.5	8.5	9.1	10.4	11.7

Source: MOFSL, Company

Exhibit 15: Ascribe INR12.2t (or USD144b) Enterprise value for JPL, which implies INR515/share valuation for RIL's stake

Digital services	EBITDA (INR b)	Implied FY27 multiple (x)	Value (INR b)	Value (USD b)
RJIL	899	12.6	11,327	134
Wireless	798	12.6	10,052	119
Homes	101	12.6	1,275	15
JPL and others	60	12.6	756	9
Enterprise value	959	12.6	12,083	143
Net debt			1,609	19
Equity value			10,474	124
Attributable to RIL (66.48% stake)			6,963	
RIL's stake value (INR/share)			515	

Source: MOFSL, Company

Exhibit 16: Scenario analysis for RJio

RJio		Bear	Base	Bull
FY27 ARPU	INR/month	242	255	268
FY27 subscriber base	m	520	532	545
FY24-27 revenue CAGR	%	14.7%	16.7%	19.1%
FY24-27 EBITDA CAGR	%	17.2%	19.7%	23.8%
EV/EBITDA multiple	x	11.5	12.6	13.5
Enterprise Value	INR b	10,302	12,083	14,372
	USD b	122	143	170
Equity Value	INR b	8,659	10,474	12,830
Attributable to RIL	INR/sh	425	515	630
Risk-reward vs. base case	%	-17		22

Source: MOFSL, Company

Exhibit 17: Valuation comparables for Indian telcos

Companies	Enterprise Value	Market cap	EV/EBITDA (X)			Net debt/EBITDA (X)			EBITDA margin (%)			EBITDA CAGR
	(USD b)	(USD b)	2025	2026	2027	2025	2026	2027	2025	2026	2027	2024-27E
Bharti Airtel	134	114	11.7	9.8	8.3	1.8	1.1	0.4	55.3	55.6	55.9	18.3%
Vodafone Idea	36	8	16.3	14.9	13.2	12.7	12.5	11.1	41.5	41.6	43.1	9.3%
Bharti Hexacom	9	8	17.4	14.4	12.1	2.0	1.6	1.4	50.0	52.5	54.7	22.2%
RJio	143	124	18.6	15.1	12.6	2.9	2.1	1.3	52.9	54.8	56.5	19.7%

Note: For RJio, we have used enterprise value/market cap based on our base case scenarios; Bharti valuation is for consolidated operations and the valuation we ascribe to India wireless business is ~12.8X

Source: MOFSL, Bloomberg consensus

Reliance Retail: Growth recovery vital for re-rating

Near-term impact from RR's streamlining and weaker discretionary spends

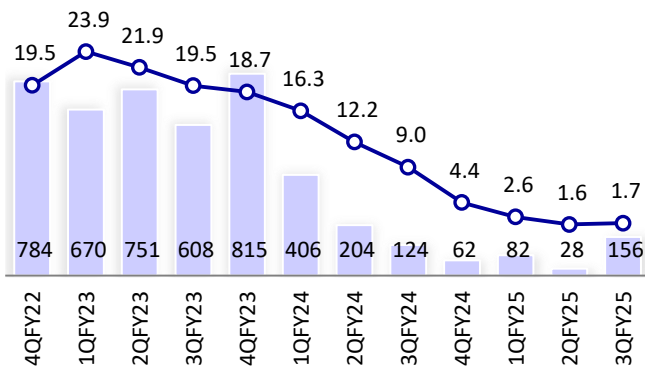
Over the past few quarters, RR's growth had been impacted by weak discretionary demand as well as its focus on streamlining operations and adopting a more calibrated approach to B2B business.

We note that the pace of store additions in RR had moderated from ~700+ per quarter on average in FY23 to modest ~80 store additions per quarter in the past 12 months, with RR shutting down unprofitable stores. Similarly, compared to net area addition of ~24m sqft/~13.5m sqft in FY23/FY24, RR's net store area declined ~2m sqft in 9MFY25.

As a result, despite the benefits of the tariff hike in RJio and ramp-up in AirFiber sales, RR's net revenue grew by a modest ~3% YoY in 9MFY25. However, after a ~4% YoY decline in 2QFY25, RR's net revenue growth recovered to ~7% YoY in 3QFY25, driven by the boost from the festive season.

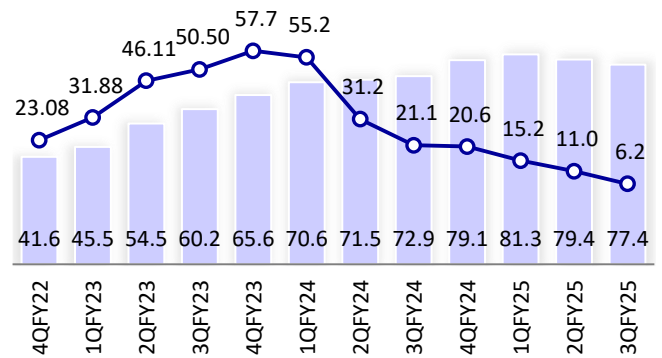
Despite the rapid uptake of quick commerce, RR reported robust 37% YoY growth in B2C grocery. We note that RR has also started hyper-local deliveries through JioMart and is looking at reduced delivery timelines of ~2-hour delivery, same-day delivery, etc. to align with the change in user preference toward convenience.

Exhibit 18: The pace of store additions has moderated sharply as RR's focus shifted to streamlining of operations



Source: MOFSL, Company

Exhibit 19: After strong growth in FY23 and FY24; store area declined for RR in 9MFY25



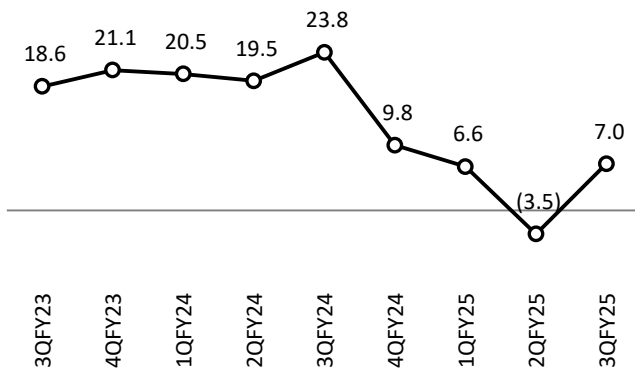
Source: MOFSL, Company

We believe RR is close to completing the streamlining of its operations and may return to double-digit growth from FY26 onward. As a result, after muted ~5% YoY net revenue growth in FY25 (likely decline in core-retail revenue), we build in a CAGR of ~15% in total revenue over FY25-27E.

Further, the closure of unprofitable stores and streamlining of RR's B2B operation should boost margins over the medium term. We do not build in any significant margin expansion in our base case and believe there could be upside potential.

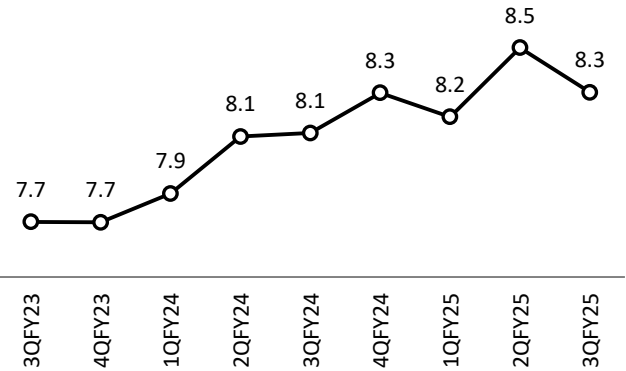
RR is the biggest contributor (~38%) to our SoTP valuations for RIL and a recovery in its growth is likely to be the biggest trigger for the stock.

Exhibit 20: After weak 1HFY25, RR's net revenue growth recovered to ~7% YoY in 3QFY25



Source: MOFSL, Company

Exhibit 21: RR's operating EBITDA margins have been on an improving trend in 9MFY25



Source: MOFSL, Company

Ascribe USD120b enterprise value to RRVL (INR610/share for RIL's stake)

Base case: We build in a **gross revenue CAGR of ~8.5%** for RR's core retail over FY24-27 (significantly lower vs. our estimated ~18% CAGR over FY20-24). This implies an overall gross revenue CAGR of ~12% over FY24-27 (vs. 17% CAGR over FY20-24). Given RR's focus on streamlining operations and calibration in B2B, we expect profitability to improve. However, we build in only a **modest improvement in operational EBITDA margin to 8.3% by FY27** (similar to 3QFY25) for **~13% EBITDA CAGR over FY24-27** (vs. ~23% over FY20-24). We ascribe a blended EV/EBITDA of **32.5x (35x for core retail and ~6.5x for connectivity)**, based on average valuations for comparable retail peers (DMart, Trent, Vedant Fashions and Metro Brands). We arrive at an enterprise value of **~INR10.1t (USD120b)** for RRVL and an attributable value of **INR610/share** for RIL's stake in RRVL, in our base case.

Bear case: In our bear case, we build in a continuation of streamlining of operations and weaker consumer demand to drive a muted **gross revenue CAGR of 5%** for RR's core retail over FY24-27 (lower vs. ~8.5% base case CAGR). This implies an overall gross revenue CAGR of ~10% over FY24-27 (vs. 12% in base case). Further, we build in **lower margins at 8% in FY27** (similar to FY24 levels) for **~10% EBITDA CAGR over FY24-27**. In this case, we ascribe a blended EV/EBITDA of **~28x** (30x for core retail and ~5.5x for connectivity) to arrive at an enterprise value of **~INR8t (USD95b)** for RRVL and an attributable value of **INR480/share** for RIL's stake in RRVL. We note that the valuation ascribed in our bear case is **lower than the valuation ascribed to RRVL (~USD100b equity value) based on the last round of stake sale to QIA**.

Bull case: In our bull case, we build in a stronger recovery in revenue growth over FY26-27 to drive **gross revenue CAGR of ~10%** for RR's core retail over FY24-27 (still lower vs. ~17% CAGR over FY20-24). This implies an overall gross revenue CAGR of ~13% over FY24-27. Further, with better growth recovery, we also build in **margin expansion to ~8.65% by FY27** (vs. ~8.3% in 3QFY25) to drive **~15% EBITDA CAGR over FY24-27** (vs ~23% over FY20-24). We ascribe a blended EV/EBITDA of **~37x** (40x for core retail and 7x for connectivity) to arrive at an enterprise value of **~INR12.3t (USD145b)** for RRVL and an attributable value of **INR740/share** for RIL's stake in RRVL.

Exhibit 22: Scenario analysis for RR

Reliance Retail		Bear	Base	Bull
FY24-27 core retail revenue CAGR	%	5.0%	8.5%	10.0%
FY24-27 overall revenue CAGR	%	9.9%	11.9%	12.7%
FY27 EBITDA margin	%	8.0	8.3	8.6
Core retail EV/EBITDA multiple	x	30	35	40
Blended EV/EBITDA multiple	x	28	32.5	37
Enterprise Value	INR b	8,053	10,148	12,258
	USD b	95	120	145
Equity Value	INR b	7,785	9,880	11,990
Attributable to RIL	INR/sh	480	610	740
Risk-reward vs. base case	%	-21		21

Exhibit 23: Key assumptions for RR

Key financial metrics (INR b)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Gross revenue	1,629	1,576	1,997	2,604	3,068	3,256	3,744	4,293
Core retail	977	736	1,073	1,514	1,866	1,882	2,110	2,384
Connectivity	653	841	924	1,090	1,202	1,373	1,634	1,909
Net revenue	1,461	1,391	1,750	2,309	2,731	2,857	3,285	3,767
Core retail	907	678	965	1,383	1,710	1,690	1,896	2,145
Connectivity	554	713	785	926	1,021	1,167	1,389	1,622
EBITDA	97	85	109	176	222	239	275	317
Core retail	86	71	94	158	202	216	248	285
Connectivity	11	14	15	18	20	23	27	32
YoY revenue growth (%)								
Gross revenue	24.8	(3.3)	26.7	30.4	17.8	6.1	15.0	14.7
Core retail	19.6	(24.7)	45.8	41.1	23.3	0.9	12.1	13.0
Connectivity	33.5	28.8	9.9	17.9	10.3	14.3	19.0	16.8
Net revenue	25.6	(4.8)	25.8	32.0	18.3	4.6	15.0	14.7
Core retail	21.1	(25.3)	42.3	43.4	23.6	(1.2)	12.2	13.1
Connectivity	33.6	28.7	10.1	17.9	10.3	14.3	19.0	16.8
EBITDA on net revenue (%)	6.6	6.1	6.2	7.6	8.1	8.4	8.4	8.4
Core retail	9.5	10.4	9.7	11.4	11.8	12.8	13.1	13.3
Connectivity	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

Exhibit 24: Valuations: Ascribe INR10.1t enterprise valuation to RRVL, which implies INR610/share valuation for RIL's stake

RRVL valuation	EBITDA (INR b)	multiple (x)	Value
Core retail	285	35.0	9,968
Connectivity	28	6.5	180
Enterprise Value (INR b)	312	32.5	10,148
Less Net Debt			268
Equity Value (INR b)			9,880
Equity value (INR/sh)			730
Attributable value in RIL SOTP (INR/sh)			610

Exhibit 25: Valuation comparable for select Indian retailers (INR b)

Retail comps	Enterprise Value	Mcap	EV/Sales (X)			EV/EBITDA (X)			P/E (X)			EBITDA CAGR (%)
			2025	2026	2027	2025	2026	2027	2025	2026	2027	
Avenue Supermarts	2,333	2,330	3.9	3.4	2.9	51.2	43.1	36.3	85.1	71.5	59.8	16.0%
Trent	1,947	1,951	11.3	8.5	6.4	70.1	51.6	37.7	117.1	84.7	60.7	38.7%
ABFRL	347	313	2.5	2.3	2.1	22.6	20.1	18.0	n/m	n/m	n/m	12.7%
Shoppers Stop	68	66	2.1	2.1	2.1	13.5	12.7	12.1	n/m	n/m	126.1	10.2%
Vedant Fashions	273	275	19.0	16.0	13.2	38.3	31.7	25.9	63.0	51.3	41.1	16.5%
V-Mart	74	58	1.9	1.6	1.4	20.9	17.4	14.9	n/m	n/m	124.8	34.8%
Reliance Retail	10,148	9,880	3.6	3.1	2.7	43.1	37.4	32.5	87.8	77.5	64.2	12.6%
Average			6.8	5.6	4.7	36.1	29.5	24.2	88.4	69.1	82.5	21.5%

Note: RR sales/EBITDA/earnings include contribution from connectivity (RJio recharges); valuations for RR based on our base case scenario
Source: MOFSL, Company

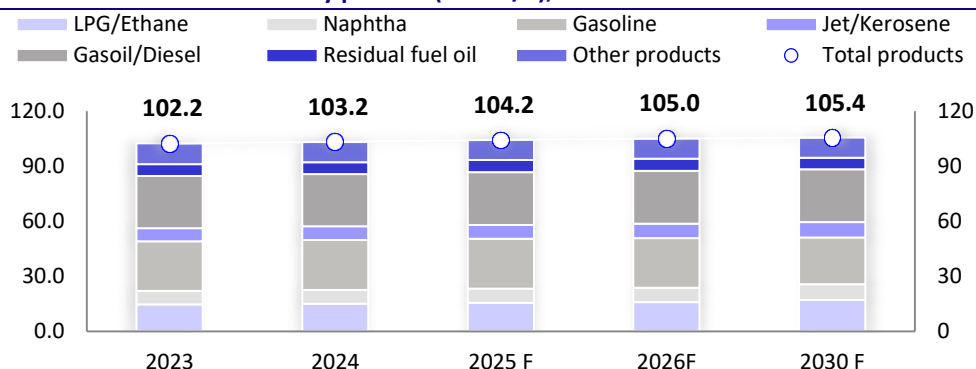
Energy: O2C earnings likely bottomed out

While RIL's O2C segment delivered a stable performance in 3QFY25 amid healthy refining and petchem spreads, we note that SG complex GRM has been on a declining trend again (4QFY25 average: ~USD2.7/bbl vs. USD5/bbl in 3Q). We are building in FY27 consol. EBITDA to be broadly similar to FY24.

Oil demand to grow at a 2.2% CAGR over CY24-CY30

- IEA estimates global oil demand to reach 105.4mb/d by CY30, a 2.2mb/d demand growth over CY24-CY30E. However, demand would rise by +1mb/+0.8md per day in CY25F/CY26F and only 0.4md per day over CY27F-CY30F.
- According to IEA, LPG, Ethane, Naphtha and Jet/Kerosene will drive demand growth, which will be partially offset by a decline in gasoline demand.

Exhibit 26: World oil demand by product (2.2mb/d), 2023-2030

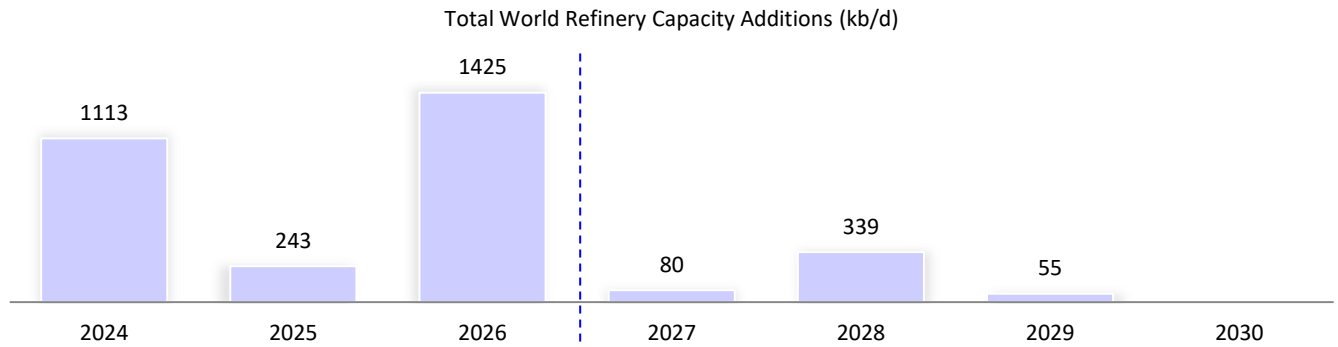


Source: IEA, MOFSL

Refining annual capacity growth at 470kb/d, down 40% vs. historical

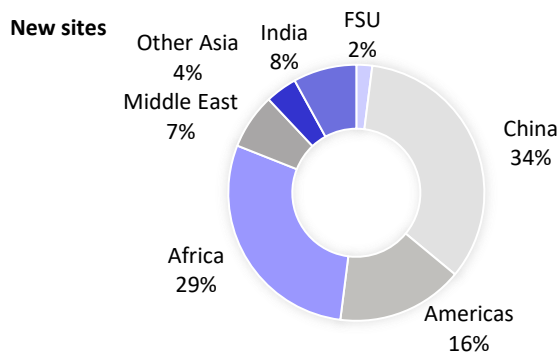
- According to IEA, during CY24-CY30, the global refining capacity is expected to see modest growth, with total capacity projected to increase from 104.2mb/d to 107.4mb/d. This period will see **net capacity additions of 3.3mb/d**, which are lower than the 4.4mb/d forecast earlier by IEA for the CY23-CY28 period.
- The net additions include 5.1mb/d from new projects, offset by 1.8mb/d from announced closures. About 0.8mb/d of capacity closures would happen in CY25. In addition, IEA potentially sees upside risk to the capacity closure forecast of 1.8mb/d over 2024-30.
- The average annual net capacity additions of 470kb/d represent a notable decrease compared to the 780kb/d average observed from 2010 to 2019.
- We also note that beyond 2026, net refinery capacity additions are expected to be sparse. Of the IEA's projected net capacity growth of 3.3mb/d, 85% would start operations by CY26, with only 474kb/d (15% of 3.3mb/d) capacity set to be commissioned in CY27-CY30.
- **While negligible refining capacity addition after CY26 will be beneficial for refining margins amid weakness in global oil demand, we do not see Singapore GRM sustaining above USD6-USD6.5 per bbl levels in CY25-26.**

Exhibit 27: World's net refining capacity additions and expansions (3.3mb/d), 2024-2030



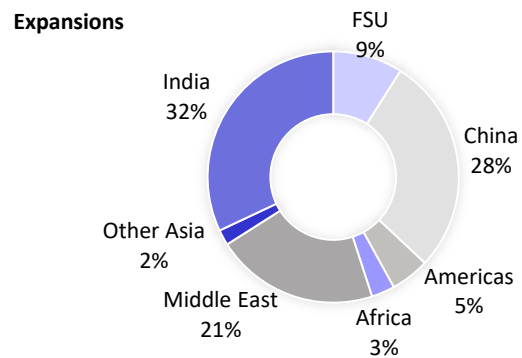
Source: IEA, MOFSL

Exhibit 28: Additions in CDU capacity by region, 2023-30



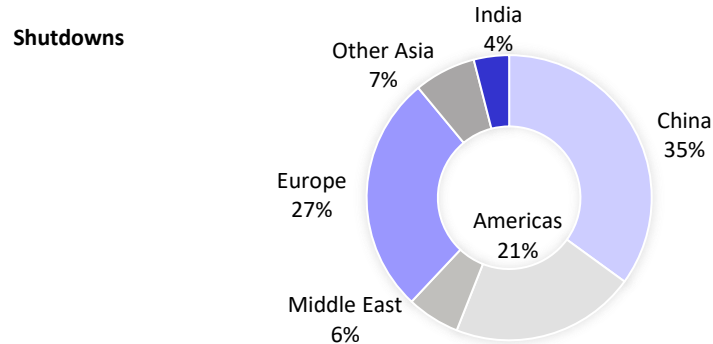
Source: IEA, MOSL

Exhibit 29: Expansions in CDU capacity by region, 2023-30



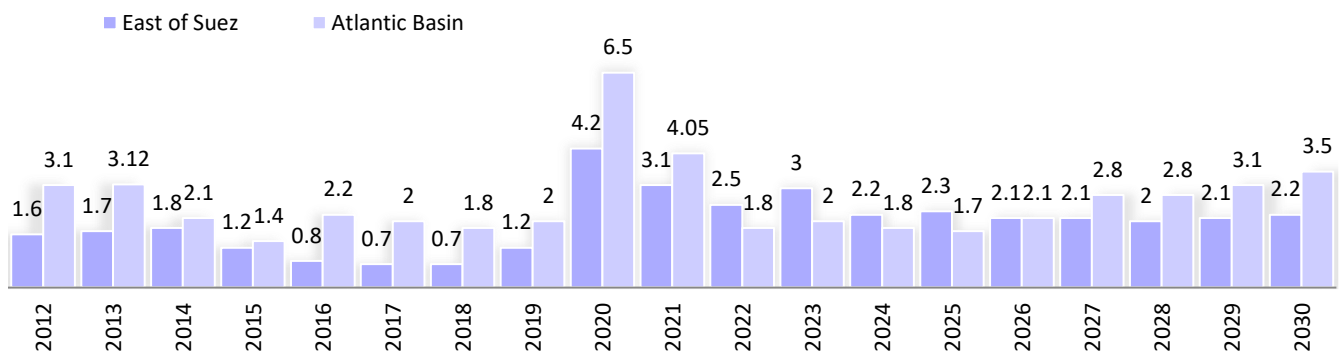
Source: IEA, MOSL

Exhibit 30: Shutdowns in CDU capacity by region, 2023-30



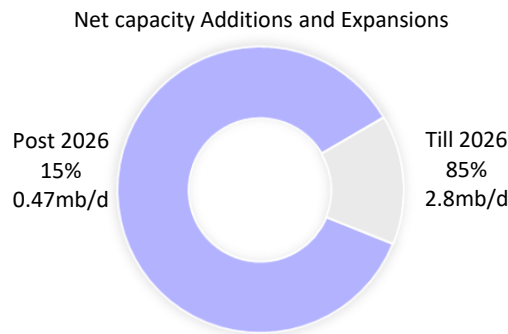
Source: IEA, MOSL

Exhibit 31: Refining capacity at risk of closure from low utilization, 2012-2030



Source: IEA, MOFSL

Exhibit 32: Diminishing net capacity additions and expansions post 2026



Source: IEA, MOFSL

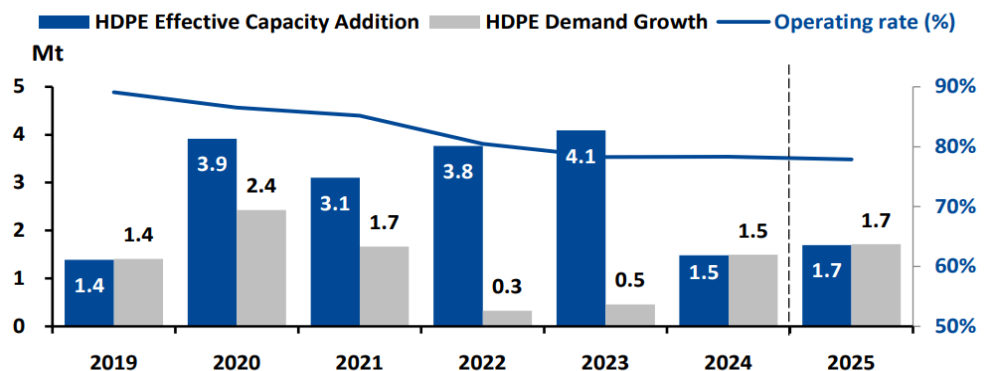
Weak petchem cracks amid aggressive capacity addition globally

- Petchem cracks have remained weak and we do not expect a sharp recovery in the next few quarters. In 3QFY25, while HDPE spread over naphtha declined by 5% YoY, LDPE/PP spread over naphtha increased by 57%/14% on a YoY basis. During CY24, there has been 3-6m delays in the start of multiple HDPE/PP plants, totalling 2.2mmt/3.5mmt.
- Global capacity additions remain aggressive for products such as PE and PP, based on the commentary from South East Asian petchem players. Thai Oil estimates HDPE effective capacity addition to be at par with HDPE demand growth in CY25, at 1.7mmt. However, PP capacity additions will sequentially remain above the estimated demand growth, at 5.6mmt in CY25 (PP demand growth: 3.2mmt). Most of the capacity additions are coming from China. For RIL, the key projects that are slated to begin production include 3mmt PTA capacity (2027) and 1mmt PET plant (FY27).

Every USD1/bbl change in GRM impacts RIL's consol EBITDA by ~2%

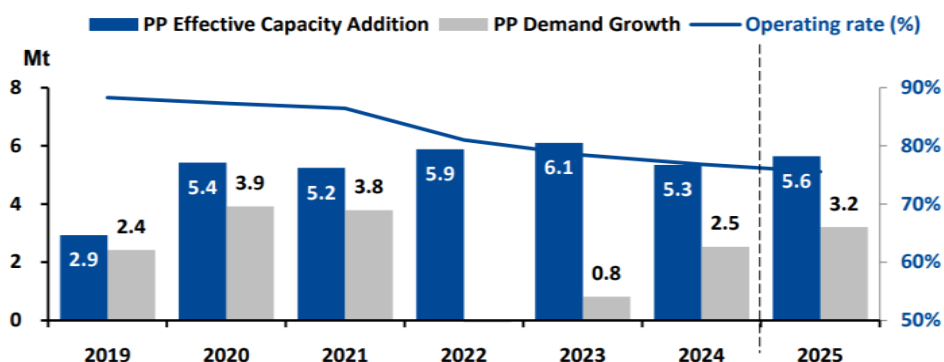
- After a subdued 1HFY25, RIL reported a modest recovery in consolidated O2C EBITDA in 3QFY25. However, note that our FY27 consol O2C EBITDA is largely similar to FY24 levels and could have upside risks from recovery in the petchem cycle and higher contribution from petro retail marketing JV.
- We estimate RIL's standalone GRM at USD8.9/USD9 per bbl in FY26/FY27.
- For every USD1/bbl change in refining margin, RIL's FY26/FY27 consolidated EBITDA changes by ~INR42b (~2%).

Exhibit 33: Global HDPE capacity addition vs. demand growth



Source: Thai Oil, MOSL

Exhibit 34: Global PP capacity addition vs. demand growth



Source: Thai Oil, MOSL

Exhibit 35: Major HDPE plant start-up

Country	HDPE Company	Capacity (ktpa)	Start-up
China	PetroChina Guangdong	800	Feb'23
China	Sinopec Hainan	300	Feb'23
India	Shandong Jinhai	400	Mar'23
China	Ningxia Baofeng	400	Sep'23
China	PetroChina Jilin	400	May'25
China	Inner Mongolia Baofeng	825	Jun'25
China	Shandong Yulong	600	Jan'26
China	Shandong Yulong	750	Apr'26

Source: Thai Oil, MOFSL

Exhibit 36: Major PP plant start-up

Country	PP Company	Capacity (ktpa)	Start-up
China	Sinopec Hainan	500	Feb'23
China	Dongguan Grand	600	Jun'23
China	Jinneng	450, 450	Jan'24, Jun'24
China	Quanzhou Grand Pacific	450	May'24
China	Fujian Zhongjing	600	Jun'24
India	Naraya Energy	450	Aug'24
China	Zhejiang Yuanjin	600	Nov'24
China	ExxonMobil (Huizhou)	955	Jan'25
China	Inner Mongolia Baofeng	1500	Jun'25
Saudi Arabia	Advanced Polyolefins	800	Jul'25
China	Shandong Yulong	800	Jan'26
China	Shandong Yulong	1100	Apr'26

Source: Thai Oil, MOFSL

Ascribe USD71b EV to RIL's O2C and E&P business

Base case: While we build in a recovery in O2C performance from subdued 1HFY25 levels, our FY27E (O2C+E&P) EBITDA is similar to FY24 levels as we build in a recovery in integrated consol. O2C margins to **USD13.8/bbl** (vs. USD15.2/bbl in FY24 and USD12.2/bbl in 9MFY25). We ascribe a FY27E EV/EBITDA multiple of **7.5x to O2C** and **6x to E&P** business to arrive at an enterprise value of **INR6t (or ~USD71b)** for

the combined O2C and E&P segment, implying a per share equity value of **INR380/sh** for RIL's O2C and E&P business.

Bear case: In our bear case, we assume a gradual recovery in refining and petchem margins. We build in integrated consol O2C margins at **USD12.7/bbl** (vs USD13.8/bbl in base case and USD15.2/bbl in FY24). Under this assumption, our FY27E consol O2C EBITDA is **lower by ~INR49b (7%)** and FY27E consol O2C+E&P EBITDA is ~6% lower compared to our base case and lower than FY24 levels. We ascribe a Mar'27E EV/EBITDA multiple of **7x to O2C** (vs. 7.5x in base case) and **5x to E&P** (vs. 6x in base case) to arrive at an enterprise value of **INR5.1t (or ~USD60b)** for combined O2C and E&P segment, implying a per share equity value of **INR310/sh**.

Bull case: In our bull case, we assume a better recovery in refining and petchem margins. We build in integrated consol O2C margins at **USD15/bbl** (vs. USD13.8/bbl in base case, but lower than USD15.2/bbl in FY24). Under this assumption, our FY27E consol O2C EBITDA is **higher by ~INR54b (9%)** and FY27E consol O2C+E&P EBITDA is 6% higher than our base case, but a modest ~3% EBITDA CAGR over FY24-27E. We ascribe a Mar'27E EV/EBITDA multiple of **8x to O2C** (vs. 7.5x in base case) and **6.5x to E&P** business to arrive at an enterprise value of **INR6.9t (or ~USD81b)** for the combined O2C and E&P segment, implying a per share equity value of **INR450/sh**.

Exhibit 37: Scenario analysis for the Energy business

O2C and E&P business		Bear	Base	Bull
FY27 integrated O2C margin	USD/bbl	12.7	13.8	15.0
FY27 consol O2C EBITDA	INR b	575	624	678
FY27 consol O2C+E&P EBITDA	INR b	797	846	900
O2C EV/EBITDA multiple	x	7.0	7.5	8.0
E&P EV/EBITDA multiple	x	5.0	6.0	6.5
Enterprise Value	INR b	5,136	6,012	6,869
	USD b	61	71	81
Equity Value	INR b	4,200	5,149	6,093
Equity Value	INR/sh	310	380	450
Risk-reward vs. base case	%	-18		18

Source: MOFSL, Company

New Energy earnings to ramp up FY28 onward; ascribe INR75/share value

RIL's New Energy business is reaching a transformative milestone marked by the start of phase I of solar module manufacturing capacity in 4QFY25. This will be followed by the commencement of operations in cell manufacturing and phase II of module manufacturing in the next two quarters.

- We estimate total capex of INR1t for two of its major verticals -- solar PVs and battery manufacturing, within its new energy business
- **Fully integrated PV factory:** Establishment of a fully integrated solar PV factory, with an estimated capex of INR30b/GW, resulting in a total capex of INR600b for 20GW capacity. Bulk of this capex, we understand, has already been done and the rest will likely be undertaken in the next two years.
- **Battery manufacturing:** RIL plans to develop a 50 GWh per annum facility for lithium battery cells through Lithium Werks and fast-track sodium-ion battery commercialization with plans to industrialize at the megawatt scale by 2025. Drawing on industry benchmarks (Amara Raja and Exide), the estimated capex for this vertical is INR400b at INR8b/GWh.
- **Full USD10b to be invested by FY27 end and then more to come:** RIL has invested USD3-4b so far in the new energy ventures. We believe as the integrated solar PV and battery ventures take shape, the balance USD6-7b will be invested over the next 2-3 years. Further, given the plan to set up 100GW of RE generation, the initially guided capex of USD10b is likely to be exceeded.
- **O2C+E&P operating cash flow can continue to fund New Energy for years:** RIL's O2C+E&P business currently generates an operating cash flow of ~INR600-700b, while the current capex run rate for O2C is only INR150b-INR200b. Consequently, unlike most other players, which rely on internal accruals or external equity/debt funding to scale up the renewables business, we believe robust O2C cash flows can continue to fund RIL's New Energy capex needs for the years to come.

Exhibit 38: Total capex over the next 5-7 yrs

Particulars	Capacity	Capex/unit	Total Capex (INR m)
Module business	20 GW	30,000	6,00,000
Battery (GWh)	50 GWh	8,000	4,00,000
			10,00,000

Source: MOFSL

20GW solar facility to reach full capacity by FY29

- As such, we are not building in any profit contribution until FY27, though we do believe that with scale and cost/technology superiority, the New Energy business could be the key profit growth driver for RIL in the longer term.
- RIL plans to establish a fully backward-integrated solar module manufacturing facility with a capacity of 20GW (slow ramp-up with full utilization in FY29), covering the production process up to polysilicon.
- In India, we expect RIL to continue to enjoy premium margins as most other groups currently engaged in module manufacturing lack the financial and technical prowess to build a large-scale fully integrated solar PV factory.

- We have assumed EBIT margins to be 17%, exceeding the 12-14% currently reported by domestic manufacturers. These numbers are higher than the 8-10% EBIT margins reported by leading global module manufacturers such as Canadian, Trina and Longi.
- We assume module ASP of USD0.24/Wp and 100% utilization in FY29, leading to EBITDA of INR83b. At full utilization in FY29E, we estimate ROE /ROCE of 16%/9% for this investment.

Exhibit 39: Domestic solar cell and module manufacturing landscape

Segments	Premier Energy	Waaree Energy	Tata Power
Solar Modules	Yes	Yes	Yes
Solar Cells	Yes	Yes (to be operational from Dec'24)	Yes
Wafers	from FY26	from FY27	No
Ingot	No	from FY27	No

Source: Company, MOFSL

Exhibit 40: Key financial metrics of Indian solar cell and module manufacturers (FY24)

Particulars	Premier Energy	Waaree Energy	Tata Power
EBITDA Margins	16%	16%	18%
ROE	44%	30%	12%
ROCE	26%	26%	11%

Source: MOFSL

Exhibit 41: Earnings projections from Solar PV factory

Particulars	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32
Total capacity (MW)	20000	20000	20000	20000	20000
Blended utilization	50%	100%	100%	100%	100%
USD/INR	84.0	85.7	87.5	89.2	91.1
ASP/unit (USD/W)	0.25	0.24	0.24	0.24	0.24
Revenue	210,000	407,143	415,452	423,931	432,582
EBITDA	42,000	81,429	83,090	84,786	86,516
<i>EBITDA margin</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>
Depreciation	11,400	11,400	11,400	11,400	11,400
EBIT	30,600	70,029	71,690	73,386	75,116
<i>EBIT margin</i>		<i>17%</i>	<i>17%</i>	<i>17%</i>	<i>17%</i>
Interest cost	34,560	33,120	31,680	30,240	28,800
PBT	-3,960	36,909	40,010	43,146	46,316
<i>Tax rate</i>	<i>23.0</i>	<i>23.0</i>	<i>23.0</i>	<i>23.0</i>	<i>23.0</i>
PAT	-3,049	28,420	30,808	33,222	35,664
<i>PAT margin</i>	<i>-2%</i>	<i>9%</i>	<i>10%</i>	<i>10%</i>	<i>11%</i>
ROE	-2.07%	15.93%	17.04%	18.13%	19.21%
ROCE	4.1%	9.1%	9.6%	10.1%	10.6%

Source: MOFSL

New Energy valued at INR75/share; valuation to rise as earnings ramp up

- Indian-listed companies in the solar module manufacturing space enjoy higher valuation multiples, primarily due to: 1) robust capacity growth prospect and 2) supportive government initiatives, such as the production-linked incentive (PLI) scheme and import duty protection. These factors contribute to higher average selling prices (ASPs) and result in strong EBIT margins.
- Domestically, cell and module manufacturing firms like Premier Energy are trading at ~15x EV/EBITDA (FY27E). In contrast, solar module manufacturers globally are trading at 8-10x EV/EBITDA.
- We raise New Energy business valuation to INR75/share (earlier INR47/share). We discount FY29E EBITDA from the integrated solar PV business for two years at 10% and then apply an EV/EBITDA multiple of 15x. Based on valuations for the global and domestic module manufacturers, we estimate the valuation range for RIL's module business at INR50-75/share.
- Our INR75/share valuation is primarily pertaining to the solar PV giga-factory, and we believe as RIL commissions other giga-factories, there could be significant value accretion.

Exhibit 42: Valuation range of INR50-75/share for the New Energy business

Particulars	EBITDA - FY27** (INR m)	Valuation		
		Multiple (x)	Value (INR m)	Per Share value (INR)
MOSL Valuation	67,296	15	10,09,445	75
Domestic peers	67,296	15*	10,09,445	75
Global peers	67,296	10	6,72,963	50

* Premier Energy; **FY29 EBITDA discounted for 2yrs

Source: MOFSL

Exhibit 43: Valuations: Ascribe INR6t enterprise value to RIL's O2C and E&P business and ~INR1t to New Energy

Energy business	EBITDA	Multiple	Value (INR b)	Value (USD b)
Standalone EV	846	7.1	6,012	71
O2C	624	7.5	4,677	55
E&P	223	6	1,335	16
Standalone net debt			864	10
Standalone equity value			5,149	61
Standalone equity value/sh			380	
New Energy equity value			1,015	12
New Energy equity value/sh			75	
Energy business equity value/sh			455	

Source: MOFSL, Company

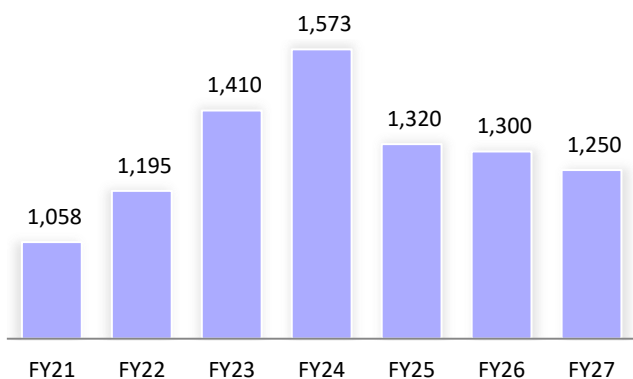
Capex likely to moderate and FCF generation to pick up over FY24-27

With the completion of pan-India 5G rollouts, we believe the peak of capex in RJio is likely behind and we expect RJio to generate cumulative FCF of ~INR550b over FY24-27. Given the large opportunity size in Retail, while the capex could remain elevated over the next few years, we believe that capex would largely be internally funded or if need be, RIL could sell additional stakes to bring the holding down to ~75% in RRVL.

We expect capex intensity to pick up pace in the New Energy segment over the next few years. However, we anticipate New Energy investments to be largely funded by robust cash flow in the standalone business. We note that RIL's O2C and E&P businesses generate cash flow from operations of ~INR600-700b annually, with limited capex of ~INR150-200b. We believe the standalone business cash flow could fund RIL's New Energy investments without the need for raising significant debt.

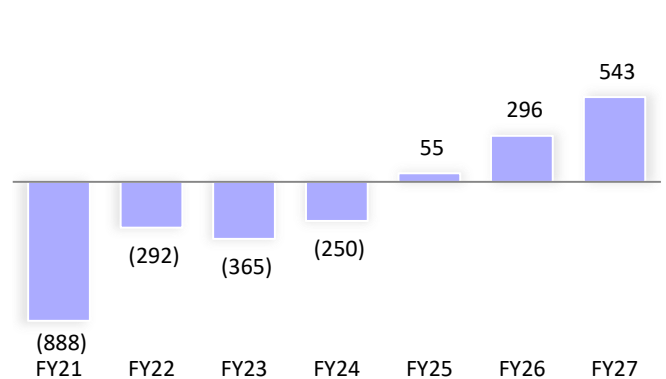
Overall, we model an annual consolidated cash capex of INR1.25-1.3t for RIL as a moderation in RJio capex is likely to be offset by higher capex in New Energy. However, we believe the peak of capex is likely behind, which should lead to FCF generation (~INR900b cumulatively over FY24-27) and a reduction in consolidated net debt.

Exhibit 44: RIL's overall capex has likely peaked in FY24



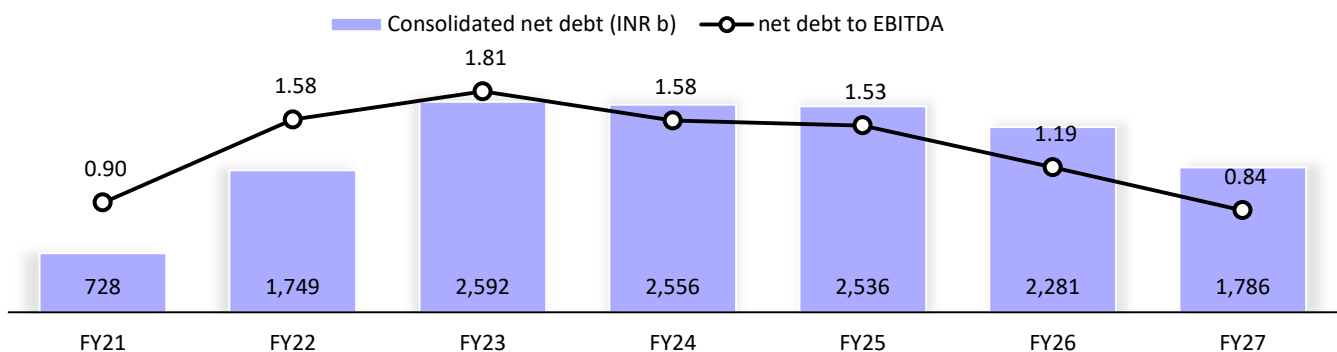
Source: MOFSL, Company

Exhibit 45: Expect ~INR900b FCF generation over FY24-27



Source: MOFSL, Company

Exhibit 46: RIL's net debt also likely peaked in FY24; net debt-to-EBITDA at comfortable level



Source: MOFSL, Company

Exhibit 47: We expect ~10% CAGR in RIL's consolidated EBITDA over FY24-27E, driven by Digital and organized retail

RIL EBITDA build-up	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
O2C	538	382	527	621	624	547	610	624
E&P	4	3	55	136	202	215	222	223
Digital	233	340	403	503	567	651	799	959
Organized retail	97	98	124	180	231	247	283	325
Others	48	63	79	56	86	84	94	97
Segment EBITDA	920	886	1,187	1,495	1,710	1,743	2,008	2,228
Eliminations	-30	-79	-83	-74	-88	-86	-94	-97
Reported EBITDA	890	807	1,105	1,422	1,622	1,658	1,915	2,130

Source: MOFSL, Company

Exhibit 48: RIL is trading at ~20% discount to its five years' average 1-year forward EV/EBITDA

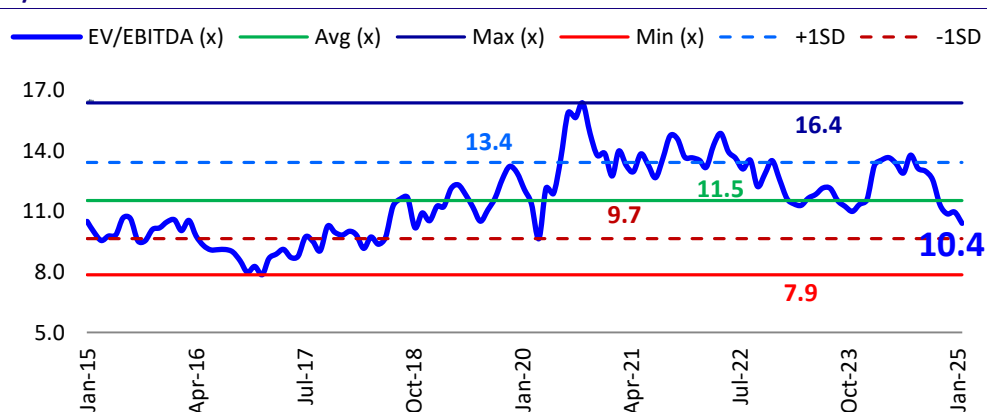
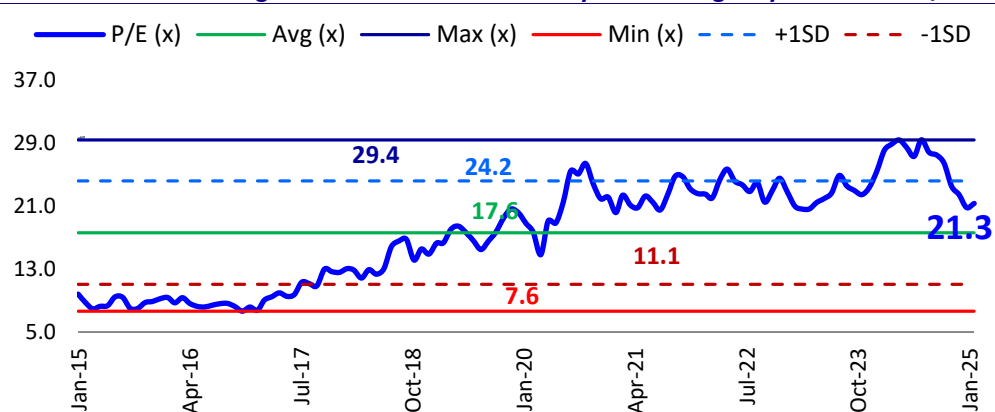


Exhibit 49: RIL is trading at ~10% discount to its five years' average 1-year forward P/E



Source: Company, MOFSL

Reliance Jio Infocomm: Financials and valuations

Consolidated - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	543	699	770	908	1,001	1,144	1,361	1,590
Change (%)	33.6	28.7	10.1	17.9	10.3	14.3	19.0	16.8
Total Expenditure	327	390	393	441	477	539	615	692
% of Sales	60.3	55.8	51.1	48.6	47.6	47.1	45.2	43.5
EBITDA	216	309	376	467	524	606	747	899
Margin (%)	39.7	44.2	48.9	51.4	52.4	52.9	54.8	56.5
Depreciation	74	115	136	185	214	232	256	288
EBIT	142	194	240	281	310	374	491	611
Int. and Finance Charges	66	38	44	41	40	48	60	73
Other Income	1	5	2	4	5	9	10	12
PBT after EO Exp.	76	161	199	244	275	335	440	550
Total Tax	21	41	50	62	70	86	112	140
Tax Rate (%)	27.2	25.3	25.4	25.5	25.5	25.5	25.5	25.5
Reported PAT	56	120	148	182	205	250	328	410
Adjusted PAT	56	120	148	182	205	250	328	410
Change (%)	87.7	116.0	23.3	22.9	12.4	22.0	31.3	24.9
Margin (%)	10.2	17.2	19.2	20.1	20.4	21.8	24.1	25.8

Consolidated - Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	450	450	450	450	450	450	450	450
Total Reserves	1,260	1,380	1,528	1,710	1,914	2,163	2,491	2,901
Net Worth	1,710	1,830	1,978	2,160	2,364	2,613	2,941	3,351
Total Loans	470	300	797	1,529	1,656	1,652	1,462	1,122
Capital Employed	2,179	2,129	2,775	3,689	4,020	4,266	4,404	4,474
Gross Block	1,772	1,965	2,555	2,867	3,031	3,724	4,314	4,884
Less: Accum. Deprn.	138	253	389	615	828	1,024	1,280	1,568
Net Fixed Assets	1,634	1,712	2,165	2,252	2,203	2,700	3,034	3,316
Capital WIP	213	170	479	1,660	2,079	1,779	1,579	1,379
Total Investments	25	15	17	17	36	36	36	36
Curr. Assets, Loans&Adv.	545	604	524	529	556	517	528	581
Account Receivables	16	14	43	24	15	19	25	44
Cash and Bank Balance	75	6	6	9	14	-3	25	60
Loans and Advances	454	584	475	496	527	501	477	477
Curr. Liability & Prov.	238	371	410	768	855	767	773	839
Account Payables	47	22	20	34	43	43	43	43
Other Current Liabilities	190	323	313	595	601	428	333	286
Provisions	1	26	78	140	210	296	397	510
Net Current Assets	308	233	114	-240	-299	-250	-245	-258
Appl. of Funds	2,179	2,129	2,775	3,689	4,020	4,266	4,404	4,474

Reliance Jio Infocomm: Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	1.2	2.7	3.3	4.0	4.5	5.5	7.3	9.1
Cash EPS	2.9	5.2	6.3	8.2	9.3	10.7	13.0	15.5
BV/Share	38.0	40.7	44.0	48.0	52.5	58.1	65.4	74.5
Valuation (x)								
FCF per share	-7.7	1.5	0.6	3.2	0.4	1.4	3.7	7.2
Return Ratios (%)								
RoE	5.3	6.8	7.8	8.8	9.0	10.0	11.8	13.0
RoCE	5.2	6.9	7.4	6.6	6.1	6.9	8.6	10.5
RoIC	6.2	7.6	8.5	9.8	11.9	12.8	14.0	15.8
Working Capital Ratios								
Fixed Asset Turnover (x)	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Asset Turnover (x)	0.2	0.3	0.3	0.2	0.2	0.3	0.3	0.4
Debtor (Days)	11	7	20	10	6	6	7	10
Creditor (Days)	32	12	10	13	16	14	12	10
Leverage Ratio (x)								
Current Ratio	2.3	1.6	1.3	0.7	0.7	0.7	0.7	0.7
Interest Cover Ratio	2.1	5.0	5.5	6.9	7.8	7.8	8.1	8.3
Net Debt/Equity	0.2	0.2	0.4	0.7	0.7	0.6	0.5	0.3

Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	76	161	199	244	275	335	440	550
Depreciation	74	115	136	185	214	232	256	288
Interest & Finance Charges	66	38	44	41	40	48	60	73
Direct Taxes Paid	-12	-1	-1	13	-1	-	(11)	(27)
(Inc)/Dec in WC	-40	19	-64	-2	30	25	22	-16
CF from Operations	165	332	313	482	558	641	768	868
Others	-2	-6	0	-1	-4	-115	-107	-97
CF from Operating incl EO	163	326	313	481	553	526	661	771
(Inc)/Dec in FA	-508	-257	-288	-335	-533	-461	-493	-449
Free Cash Flow	-345	69	25	146	20	64	168	322
(Pur)/Sale of Investments	-9	14	-1	1	-16			
Others	-164	0	0	0	1	9	10	12
CF from Investments	-681	-243	-288	-334	-548	-452	-483	-437
Issue of Eq/Pref.Shares	1,250	0	0	0	0	0	0	0
Inc/(Dec) in Debt	-538	-120	106	-107	172	-90	-150	-300
Interest Paid	-103	-23	-130	-38	-172	0	0	0
Others	-20	-8	0	0	0	0	0	0
CF from Fin. Activity	588	-152	-24	-145	0	-90	-150	-300
Inc/Dec of Cash	70	-69	0	2	5	-16	28	34
Opening Balance	0	71	2	2	4	10	-7	21
Closing Balance	71	2	2	4	10	-7	21	55
Other Bank Balance	4	4	4	4	4	4	4	4
Total balance	75	6	6	9	14	-3	25	60

Reliance Retail Ventures: Financials and valuations

Standalone - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	1463	1391	1750	2309	2731	2857	3285	3767
Change (%)	25.7	-4.9	25.8	32.0	18.3	4.6	15.0	14.7
Total Expenditure	1367	1308	1642	2135	2512	2621	3014	3455
% of Sales	93.5	94.0	93.8	92.5	92.0	91.8	91.7	91.7
EBITDA	95	83	108	174	219	235	271	312
Margin (%)	6.5	6.0	6.2	7.5	8.0	8.2	8.3	8.3
Depreciation	14	18	22	40	56	62	70	78
EBIT	81	65	86	135	163	173	201	234
Int. and Finance Charges	10	5	7	18	26	24	27	30
Other Income	2	15	16	4	12	11	12	13
PBT after EO Exp.	73	75	95	121	149	161	186	217
Total Tax	0	0	0	0	0	0	0	0
Tax Rate (%)	73	75	95	121	149	161	186	217
Reported PAT	19	19	25	29	38	41	47	55
Adjusted PAT	25.8	26.1	25.8	24.5	25.5	25.8	25.2	25.2
Change (%)	55	55	71	91	111	119	139	163
Margin (%)	55	55	71	91	111	119	139	163

Standalone - Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	60	69	69	69	70	70	70	70
Total Reserves	131	747	817	901	1181	1300	1439	1602
Net Worth	191	816	910	998	1282	1401	1540	1703
Total Loans	46	90	223	495	456	455	454	453
Capital Employed	263	934	1150	1518	1776	1894	2032	2194
Gross Block	152	229	393	896	1204	1384	1564	1744
Less: Accum. Deprn.	42	62	89	129	185	247	317	396
Net Fixed Assets	110	168	303	767	1019	1137	1246	1348
Capital WIP	89	115	251	268	208	208	208	208
Total Investments	12	437	275	166	212	212	212	212
Curr. Assets, Loans&Adv.	171	295	468	490	604	627	702	815
Inventory	103	131	215	271	243	254	292	335
Account Receivables	29	62	91	61	63	78	90	103
Cash and Bank Balance	5	5	6	6	109	96	92	116
Loans and Advances	34	96	156	152	189	198	228	261
Curr. Liability & Prov.	132	101	175	201	294	317	364	417
Account Payables	64	70	138	165	253	274	315	361
Other Current Liabilities	67	30	35	34	38	40	46	53
Provisions	1	1	2	2	3	3	3	3
Net Current Assets	39	195	293	289	310	310	338	398
Appl. of Funds	263	934	1150	1518	1776	1894	2032	2194

Reliance Retail Ventures: Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	9.1	9.2	11.8	15.2	18.5	19.9	23.2	27.1
Cash EPS	11.4	12.3	15.4	21.8	27.8	30.3	34.9	40.2
BV/Share	31.9	136.0	151.7	166.4	213.7	233.6	256.7	283.8
Return Ratios (%)								
RoE	33.3	11.0	8.2	9.5	9.8	8.9	9.4	10.0
RoCE	24.5	10.3	7.4	8.0	8.1	7.6	8.3	8.9
RoIC	36.3	18.0	13.1	12.4	10.7	10.0	10.6	11.2
Working Capital Ratios								
Fixed Asset Turnover (x)	9.6	6.1	4.5	2.6	2.3	2.1	2.1	2.2
Asset Turnover (x)	5.6	1.5	1.5	1.5	1.5	1.5	1.6	1.7
Inventory (Days)	26	34	45	43	32	32	32	32
Debtor (Days)	7	16	19	10	8	10	10	10
Creditor (Days)	16	18	29	26	34	35	35	35
Leverage Ratio (x)								
Current Ratio	1.3	2.9	2.7	2.4	2.1	2.0	1.9	2.0
Interest Cover Ratio	8.6	12.4	13.0	7.3	6.3	7.3	7.3	7.9
Net Debt/Equity	0.2	-0.4	-0.1	0.3	0.1	0.1	0.1	0.1

Standalone Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	73	75	95	121	149	161	186	217
Depreciation	14	18	22	40	56	62	70	78
Interest & Finance Charges	9	-2	-9	14	18	12	15	17
Direct Taxes Paid	-11	-17	-20	-28	-25	-41	-47	-55
(Inc)/Dec in WC	84	-66	-75	-58	124	-13	-32	-36
CF from Operations	170	9	14	88	322	181	192	221
Others	0	-7	0	0	-3	0	0	0
CF from Operating incl EO	169	2	15	88	319	181	192	221
(Inc)/Dec in FA	-74	-100	-271	-457	-210	-180	-180	-180
Free Cash Flow	95	-98	-256	-369	109	1	12	41
(Pur)/Sale of Investments	0	0	241	89	-31	0	0	0
Others	26	-465	-87	36	-45	11	12	13
CF from Investments	-48	-565	-116	-333	-286	-169	-168	-167
Issue of Shares	0	612	0	0	171	0	0	0
Inc/(Dec) in Debt	-82	44	109	267	-53	-1	-1	-1
Interest Paid	-9	-5	-7	-22	-47	-24	-27	-30
Others	-29	-88	0	36	-5	0	0	0
CF from Fin. Activity	-120	563	103	281	66	-25	-28	-31
Inc/Dec of Cash	1	0	1	36	99	-13	-4	24
Opening Balance	4	5	5	6	6	109	96	92
Closing Balance	5	5	6	42	105	96	92	116

RIL: Standalone financials and valuations

Standalone - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	3,370	2,457	4,237	5,393	5,345	5,146	4,998	5,016
<i>Change (%)</i>	-9.3	-27.1	72.5	27.3	-0.9	-3.7	-2.9	0.4
EBITDA	528	335	523	668	743	582	645	651
<i>Margin (%)</i>	15.7	13.6	12.3	12.4	13.9	11.3	12.9	13.0
Depreciation	97	92	103	112	177	183	198	201
EBIT	431	243	420	556	566	399	447	450
Int. and Finance Charges	121	162	91	126	134	106	111	116
Other Income	136	148	139	111	121	143	157	158
PBT bef. EO Exp.	446	229	468	541	553	437	493	492
EO Items	-42	43	0	12	0	0	0	0
PBT after EO Exp.	403	272	468	553	553	437	493	492
Total Tax	94	-47	77	111	132	108	121	122
<i>Tax Rate (%)</i>	23.3	-17.4	16.5	20.1	23.9	24.7	24.5	24.8
Reported PAT	309	319	391	442	420	329	372	370
Adjusted PAT	335	273	391	430	420	329	372	370
<i>Change (%)</i>	-4.7	-18.5	43.1	10.0	-2.2	-21.7	13.1	-0.5
<i>Margin (%)</i>	9.9	11.1	9.2	8.0	7.9	6.4	7.4	7.4

Standalone - Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	63	64	68	68	68	135	135	135
Total Reserves	3,849	4,680	4,648	4,723	5,083	5,270	5,561	5,843
Net Worth	3,912	4,745	4,715	4,791	5,151	5,406	5,696	5,979
Total Loans	1,973	1,667	1,946	2,158	2,118	2,118	2,118	2,118
Deferred Tax Liabilities	506	308	308	340	363	363	363	363
Capital Employed	6,391	6,720	6,969	7,289	7,631	7,886	8,177	8,459
Gross Block	4,417	4,512	3,943	4,481	4,831	5,042	5,442	5,842
Less: Accum. Deprn.	1,352	1,444	1,547	1,658	1,835	2,015	2,213	2,414
Net Fixed Assets	3,065	3,068	2,396	2,823	2,996	3,027	3,229	3,428
Capital WIP	280	328	347	544	616	903	1,003	1,103
Total Investments	4,918	3,473	4,088	3,511	3,701	3,701	3,701	3,701
Curr. Assets, Loans&Adv.	1,454	1,851	1,933	2,298	2,040	1,913	1,854	1,843
Inventory	388	374	459	848	851	819	796	798
Account Receivables	75	42	144	241	147	142	138	138
Cash and Bank Balance	85	56	217	610	692	611	596	577
Loans and Advances	907	1,379	1,113	599	349	341	325	329
Curr. Liability & Prov.	3,326	2,001	1,795	1,887	1,722	1,658	1,610	1,616
Account Payables	3,301	1,977	1,770	1,864	1,695	1,632	1,585	1,591
Provisions	25	24	25	23	27	26	25	25
Net Current Assets	-1,872	-150	138	411	318	256	244	227
Appl. of Funds	6,391	6,720	6,969	7,289	7,631	7,886	8,177	8,459

RIL: Standalone financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	26.4	21.2	28.9	31.8	31.1	24.3	27.5	27.3
Cash EPS	34.1	28.3	36.5	40.0	44.1	37.8	42.1	42.2
BV/Share	308.6	368.1	348.5	354.0	380.7	399.5	421.0	441.8
Valuation (x)								
P/E	47.1	58.7	43.1	39.1	40.0	52.1	46.1	46.3
Cash P/E	36.5	43.9	34.1	31.1	28.2	33.5	30.1	30.0
P/BV	4.0	3.4	3.6	3.5	3.3	3.2	3.0	2.9
EV/Sales	5.2	7.2	4.4	3.4	3.4	3.6	3.7	3.7
EV/EBITDA	33.4	52.7	35.5	27.5	24.6	32.0	28.9	28.7
Dividend Yield (%)	0.2	0.3	0.3	0.3	0.4	0.4	0.5	0.5
FCF per share	42.9	-17.3	36.5	19.3	29.4	-3.3	1.5	2.0
Return Ratios (%)								
RoE	8.4	6.3	8.3	9.0	8.5	6.2	6.7	6.3
RoCE	7.5	7.5	7.1	7.8	7.4	5.5	5.9	5.8
RoIC	24.1	14.4	13.6	18.0	16.4	11.4	12.2	11.4
Working Capital Ratios								
Fixed Asset Turnover (x)	0.8	0.5	1.1	1.2	1.1	1.0	0.9	0.9
Asset Turnover (x)	0.5	0.4	0.6	0.7	0.7	0.7	0.6	0.6
Inventory (Days)	42	56	40	57	58	58	58	58
Debtor (Days)	8	6	12	16	10	10	10	10
Creditor (Days)	358	294	152	126	116	116	116	116
Leverage Ratio (x)								
Current Ratio	0.4	0.9	1.1	1.2	1.2	1.2	1.2	1.1
Interest Cover Ratio	3.6	1.5	4.6	4.4	4.2	3.8	4.0	3.9
Net Debt/Equity	0.5	0.3	0.4	0.3	0.3	0.3	0.3	0.3

Standalone - Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	403	272	468	556	553	437	493	492
Depreciation	97	92	103	112	177	183	198	201
Interest & Finance Charges	121	162	91	126	134	106	111	116
Direct Taxes Paid	-53	-17	-15	-49	-92	-108	-121	-122
(Inc)/Dec in WC	335	-320	138	-60	78	-19	-4	-2
Others	-129	-194	-111	-131	-110	-143	-157	-158
CF from Operations	775	-5	675	553	740	455	520	527
(Inc)/Dec in FA	-232	-218	-181	-292	-342	-500	-500	-500
Free Cash Flow	544	-223	493	262	398	-45	20	27
(Pur)/Sale of Investments	-1,309	1,202	-563	-10	-170	0	0	0
Others	105	-242	292	223	129	143	157	158
CF from Investments	-1,436	743	-453	-78	-383	-357	-343	-342
Inc/(Dec) in Debt	118	-181	-238	117	-44	0	0	0
Interest Paid	-145	-143	-110	-140	-169	-106	-111	-116
Dividend Paid	-46	-39	-43	-51	-61	-74	-81	-88
CF from Fin. Activity	708	-766	-60	-74	-275	-180	-192	-204
Inc/Dec of Cash	47	-29	161	401	82	-82	-15	-19
Opening Balance	38	84	56	217	610	692	611	596
Closing Balance	85	56	217	610	692	611	596	577

RIL: Consolidated financials and valuations

Consolidated - Income Statement								(INR b)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	5,967	4,669	7,000	8,795	9,011	9,404	9,755	10,328
Change (%)	5.2	-21.8	49.9	25.6	2.5	4.4	3.7	5.9
Total Expenditure	5,085	3,862	5,895	7,366	7,388	7,752	7,840	8,198
% of Sales	85.2	82.7	84.2	83.8	82.0	82.4	80.4	79.4
EBITDA	882	807	1,105	1,429	1,622	1,652	1,915	2,130
Margin (%)	14.8	17.3	15.8	16.2	18.0	17.6	19.6	20.6
Depreciation	222	266	298	403	508	535	586	632
EBIT	660	542	807	1,026	1,114	1,117	1,329	1,499
Int. and Finance Charges	220	212	146	196	231	246	250	258
Other Income	140	163	149	118	161	180	197	205
PBT bef. EO Exp.	579	493	810	948	1,043	1,051	1,277	1,446
EO Items	-44	56	28	0	0	0	0	0
PBT after EO Exp.	535	549	839	948	1,043	1,051	1,277	1,446
Total Tax	137	17	163	207	257	253	303	345
Tax Rate (%)	25.7	3.1	19.4	21.8	24.6	24.0	23.8	23.8
Minority Interest	-1	41	69	74	90	113	148	182
Reported PAT	399	491	607	667	696	685	825	919
Adjusted PAT	432	437	584	667	696	685	825	919
Change (%)	8.4	1.1	33.8	14.2	4.4	-1.6	20.5	11.4
Margin (%)	7.2	9.4	8.3	7.6	7.7	7.3	8.5	8.9

Consolidated - Balance Sheet								(INR b)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	63	64	68	68	68	135	135	135
Total Reserves	4,428	6,937	7,727	8,144	7,867	8,410	9,154	9,986
Net Worth	4,492	7,002	7,795	8,212	7,935	8,545	9,290	10,121
Minority Interest	122	993	1,095	1,130	1,323	1,436	1,584	1,766
Total Loans	3,103	2,426	3,192	4,524	4,590	4,550	4,510	4,470
Deferred Tax Liabilities	541	370	496	603	722	722	722	722
Capital Employed	8,257	10,790	12,578	14,469	14,570	15,254	16,106	17,080
Gross Block	7,450	7,802	8,938	10,289	11,321	14,692	16,412	17,771
Less: Accum. Deprn.	2,226	2,492	2,790	3,193	3,701	4,237	4,822	5,454
Net Fixed Assets	5,224	5,310	6,148	7,096	7,620	10,455	11,590	12,317
Goodwill on Consolidation	103	102	130	137	150	150	150	150
Capital WIP	1,091	1,260	1,725	2,938	3,389	1,338	918	809
Total Investments	2,768	3,648	3,943	3,366	2,257	2,257	2,257	2,257
Curr. Assets, Loans&Adv.	2,474	2,892	3,051	3,598	4,145	4,264	4,602	5,259
Inventory	739	817	1,078	1,400	1,528	1,594	1,654	1,751
Account Receivables	197	190	236	285	316	330	342	363
Cash and Bank Balance	309	174	362	747	972	953	1,167	1,623
Loans and Advances	1,229	1,711	1,375	1,167	1,329	1,387	1,438	1,523
Curr. Liability & Prov.	3,402	2,422	2,419	2,666	2,990	3,209	3,410	3,711
Account Payables	968	1,089	1,593	1,472	1,784	1,862	1,931	2,045
Other Current Liabilities	2,392	1,277	788	1,157	1,164	1,304	1,433	1,618
Provisions	41	56	38	38	42	44	46	48
Net Current Assets	-928	470	632	932	1,155	1,054	1,192	1,548
Appl. of Funds	8,257	10,790	12,578	14,469	14,570	15,254	16,106	17,080

RIL: Consolidated financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	34.1	33.9	43.2	49.3	51.4	50.6	61.0	67.9
Cash EPS	51.6	54.5	65.2	79.1	89.0	90.2	104.3	114.6
BV/Share	354.3	543.2	576.1	606.8	586.4	631.5	686.5	747.9
DPS	3.0	3.2	3.5	3.9	5.0	5.5	6.0	0.0
Payout (%)	11.6	8.4	7.8	8.0	9.7	10.9	9.8	0.0
Valuation (x)								
P/E	36.5	36.7	28.8	25.2	24.2	24.6	20.4	18.3
Cash P/E	24.1	22.8	19.1	15.7	14.0	13.8	11.9	10.9
P/BV	3.5	2.3	2.2	2.1	2.1	2.0	1.8	1.7
EV/Sales	3.3	4.1	2.8	2.3	2.3	2.2	2.1	1.9
EV/EBITDA	22.2	23.6	17.8	14.4	12.6	12.4	10.5	9.2
Dividend Yield (%)	0.2	0.3	0.3	0.3	0.4	0.4	0.5	0.0
FCF per share	-22.1	-120.0	-8.4	-24.8	24.8	-4.3	10.9	26.7
Return Ratios (%)								
RoE	10.3	7.6	7.9	8.3	8.6	8.3	9.3	9.5
RoCE	8.3	8.0	7.5	7.5	7.6	7.7	8.7	9.1
RoIC	13.7	10.7	10.6	11.5	10.9	9.1	9.0	9.4
Working Capital Ratios								
Fixed Asset Turnover (x)	0.8	0.6	0.8	0.9	0.8	0.6	0.6	0.6
Asset Turnover (x)	0.7	0.4	0.6	0.6	0.6	0.6	0.6	0.6
Inventory (Days)	45	64	56	58	62	62	62	62
Debtor (Days)	12	15	12	12	13	13	13	13
Creditor (Days)	59	85	83	61	72	72	72	72
Leverage Ratio (x)								
Current Ratio	0.7	1.2	1.3	1.3	1.4	1.3	1.3	1.4
Interest Cover Ratio	3.0	2.6	5.5	5.2	4.8	4.5	5.3	5.8
Net Debt/Equity	0.6	0.3	0.4	0.5	0.5	0.4	0.4	0.3

Consolidated -Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
PBT	536	555	839	948	1,043	1,051	1,277	1,446
Depreciation	222	266	298	403	508	535	586	632
Tax paid	-84	-32	-38	-207	-257	-253	-303	-345
Change in deferred tax liability	0	0	0	0	119	0	0	0
Change in net working capital	219	-507	7	-196	64	41	37	60
Misc	87	-19	1	202	110	-113	-148	-182
Operating cash flow	981	262	1,107	1,150	1,588	1,262	1,448	1,611
Capex	-756	-1,035	-1,163	-1,318	-1,420	-1,320	-1,300	-1,250
Change in investments	141	-473	3	294	170	0	0	0
Misc	-142	92	-124	154	107	0	0	0
Investing cash flows	-757	-1,416	-1,285	-870	-1,143	-1,320	-1,300	-1,250
Change in borrowings	356	-837	99	381	266	0	0	0
Misc	-337	-241	-285	-231	-372	113	148	182
Issuance of equity	1	2,136	402	5	0	0	0	0
Others	-335	1,895	117	-225	-372	113	148	182
Dividend paid	-46	-39	-43	-51	-61	-74	-81	-88
Financing cash flow	-25	1,019	173	105	-166	39	67	94
Net change in cash	198	-135	-5	385	278	-20	215	455
Closing cash balance	309	174	169	747	972	953	1,167	1,623

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