

# Reliance Industries

BSE SENSEX 81,709 S&P CNX 24,678

**CMP: INR1,312 TP: INR1,580 (+20%)**

**Buy**



## Stock Info

	RELIANCE IN
Bloomberg	RELIANCE IN
Equity Shares (m)	13532
M.Cap.(INRb)/(USDb)	17748.9 / 209.6
52-Week Range (INR)	1609 / 1203
1, 6, 12 Rel. Per (%)	-2/-17/-11
12M Avg Val (INR M)	19535
Free float (%)	50.9

## Financials Snapshot (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	9,011	9,322	9,784
EBITDA	1,622	1,658	1,933
Adj PAT	696	692	832
EBITDA (%)	18.0	17.8	19.8
EPS (INR)	51.4	51.1	61.5
EPS Gr. (%)	4.4	-0.7	20.2
BV/Sh. (INR)	586	632	687

## Ratios

RoE (%)	8.6	8.4	9.3
RoCE (%)	7.6	7.7	8.6

## Valuations

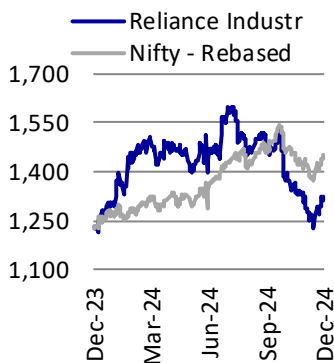
P/E (x)	25.5	25.7	21.3
P/BV (x)	2.2	2.1	1.9
EV/EBITDA (x)	7.7	12.8	10.9

## Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	49.1	49.1	49.1
DII	17.4	17.3	15.8
FII	23.1	23.5	24.4
Others	10.4	10.2	10.7

FII includes depository receipts

## Stock Performance (1-year)



## Compelling risk-reward; FCF generation likely to pick up

Reliance Industries (RIL) has underperformed the broader benchmarks, Bharti and organized retail peers, over the past few years, despite similar or superior EBITDA growth. We believe RIL's underperformance was driven by higher capex in Retail and RJio as well as a lack of FCF generation. However, we believe the capex has likely peaked and expect RIL to generate ~INR1t cumulative FCF over FY24-27. We believe the risk-reward is compelling as RIL is currently trading close to our bear-case valuations (1:10 risk-reward skew).

- The earnings outlook remains robust for RIL's key segments, with growth likely to be driven by RJio (more frequent tariff hikes, market share gains, and FWA ramp-up).
- While near-term growth in Retail could be impacted by the streamlining of operations, we expect robust growth recovery driven by footprint and category expansions.
- After two quarters of weakness, refining margins have improved in 3Q, though petchem contribution is likely to remain subdued in the medium term.
- We believe RIL's capex has likely peaked in FY24 with the completion of 5G rollouts. Capex should increase in New Energy, but will likely be funded by robust cash flow generation in the O2C segment.
- We expect ~INR1t cumulative FCF generation for RIL over FY24-27, driven by standalone and RJio. The separate listing of RJio and Retail and commissioning of giga factories in New Energy remain the key medium-term triggers.

## Reliance Jio: Tariff hike, market share gains, and FWA ramp-up to drive growth

- The pass-through of Jul'24 tariff hike has been encouraging and the full benefits should reflect by Mar'25. The headline subscriber churn for Reliance Jio (RJio) in 2Q was largely driven by the clean-up of inactive subscriber base as reflected by an improvement in RJio's VLR subs.
- 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.
- With Vi's large capex plans, we believe the pace of market share gain may slow down, but RJio (and Bharti) is still likely to continue gaining market share at Vi's expense.
- Post the completion of 5G rollouts, RJio's focus has shifted to accelerating the AirFiber (FWA) rollout. We expect contribution from the Broadband business to increase to ~12-13% by FY27 (vs ~7% currently).
- We build in a revenue/EBITDA CAGR of ~17%/21% over FY24-27 for RJio.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on [www.motilalosal.com/Institutional-Equities](http://www.motilalosal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Reliance Retail: Growth recovery remains key for re-rating**

- Over the past few quarters, Reliance Retail's (RR) growth has been impacted by weak discretionary demand as well as its focus on streamlining operations and adopting a more calibrated approach in B2B.
- We expect RR's growth to pick up in 2H with the festive season and a higher number of weddings. However, a return to the double-digit group could take a few quarters as the company is likely to continue its focus on streamlining operations in the near term.
- 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.
- We build in modest ~12.5% revenue CAGR over FY24-27 (significantly lower vs. ~19% CAGR over FY19-24), with broadly stable EBITDA margin at 8.4% by FY27 (vs. 8.4% in 2QFY25), which could have upside risks from a faster ramp-up in RIL's consumer foray and new category launches.

**O2C: Refining margins recovery underway; petchem to remain soft**

- While RIL's O2C segment delivered a weak performance in 2QFY25, we note that SG complex GRM has improved significantly (3QFYTD average: USD4.9/bbl vs. USD3.1/bbl in 2Q).
- We believe GRMs should remain healthy, albeit range-bound in CY25 amid global oil demand continuing to be under pressure (IEA: 1mbpd increase).
- 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, we build in modest recovery in consolidated O2C EBITDA. However, we note that our FY27 consol O2C EBITDA is only marginally higher than FY24 levels and could have upside risks from recovery in petchem cycle and higher contribution from petro retail marketing JV.

**New Energy: Best placed to utilize economies of scale**

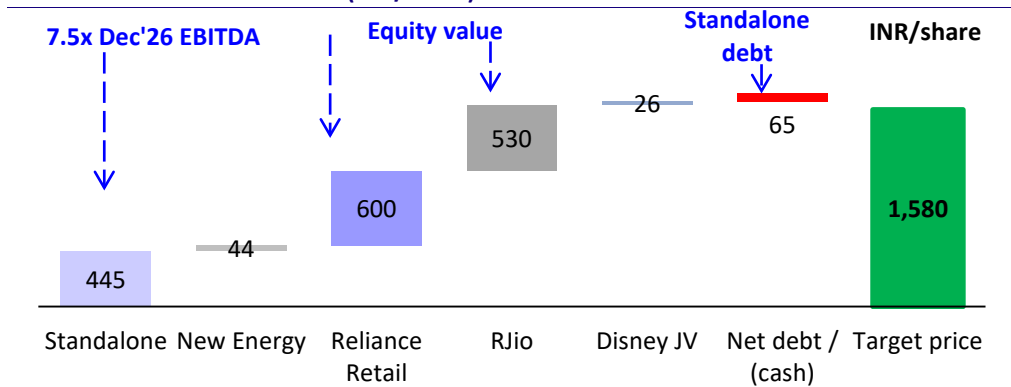
- RIL's New Energy business is reaching a transformative milestone, marked by the start of phase I of solar module manufacturing capacity in 4QFY25. This will be followed by the commencement of operations in cell manufacturing and phase II of module manufacturing in the next two quarters.
- RIL aims to integrate backward from modules to cells, ingots, wafers, and glass manufacturing by FY27-28, a feat that requires not only significant capital commitments but also technical know-how. We believe RIL's backward integration will enable it to achieve not only a strong market share but also cost leadership.
- In FY24 AGM, RIL had outlined its vision for New Energy to become as big as the O2C business in five to seven years. We believe near-term profit contribution from New Energy will be minuscule as the bulk of the output would be used for captive consumption.
- As such, we are not building any contribution from the New Energy segment till 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.

- RIL had originally outlined a USD10b investment in the New Energy business over three years. The capex outlay has been slow (USD3-4b spent so far), but we believe the original capital commitment will increase as RIL ramps up battery manufacturing and green hydrogen initiatives.
- With ~INR600-700b operating cash flow generation for the standalone business and low capex (INR150-200b), we believe robust O2C cash flows can continue to fund New Energy capex.

**Valuation and view**

- We build in ~10% consolidated EBITDA and PAT CAGR over FY24-27, driven by double-digit EBITDA CAGR in RJio (tariff hikes, market share gains, and FWA ramp-up) and RR (continued footprint and category expansions). After a subdued 1H, we expect earnings to recover for the O2C segment, driven by improvement in refining margins. However, our FY27 consolidated EBITDA for O2C and E&P is broadly similar to FY24 levels.
- 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 (~INR1t over FY24-27) and a reduction in consolidated net debt.
- For **RR**, we ascribe a blended EV/EBITDA multiple of 32x (35x for core retail and ~7x for connectivity), based on average valuations for retail peers (DMart, Trent, ABFRL, Vedant Fashions, and Metro Brands) to arrive at an EV of ~INR10t (~USD120b) for RRVL and an attributable value of INR600/share for RIL’s stake in RRVL.
- We value **RJio** on DCF implied 12.7x FY27E EV/EBITDA to arrive at our enterprise valuation of INR11.6t (USD138b) and assign ~USD10b valuation to other offerings under JPL. Factoring in the net debt and also 33.5% minority stake, the attributable value for RIL comes to INR530/share.
- Using the SoTP method, we value the O2C/E&P segments at 7.5x/6x Dec’26 EV/EBITDA to arrive at an enterprise value of INR445/sh for the standalone business. We ascribe an equity valuation of INR530/sh and INR600/sh to RIL’s stake in JPL and RRVL, respectively. We assign INR44/sh (INR600b 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 INR1,580.**

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



Source: MOFSL, Company

**Exhibit 2: Risk-reward compelling; RIL is trading near our bear case valuation**

RIL SoTP (INR/share)	Bear	Base	Bull
JPL	425	530	665
RRVL	470	600	750
Disney JV	18	26	37
Energy (O2C+E&P) EV	385	445	495
New Energy equity	22	44	89
Less: Standalone net debt	-70	-65	-60
<b>RIL TP</b>	<b>1,250</b>	<b>1,580</b>	<b>1,975</b>
Upside/downside	-5%	20%	51%

Source: MOFSL, Company

**RIL underperformed telco and retail peers despite similar/superior growth over the last five years****RIL stock outperformed telecom and retail peers during the COVID period, but has underperformed in the last three years**

RIL stock had outperformed the broader markets, Bharti and Retail, during the COVID period (Mar'20 to Dec'21), driven by RIL inducting several strategic investors in digital services (JPL) and organized retail (RRVL), along with its focus on reducing leverage on the balance sheet. In the below exhibits, we note that RIL's EV increase outpaced Bharti and retail peers (ex-DMart), in line with its superior EBITDA growth in RJio and RR versus its peers (ex-DMart).

**Exhibit 3: Comparison between RIL and Bharti's FY20-22**

20-22	Metrics	RIL	Bharti
Mar'20 to Dec'21	EV change	71.1%	41.8%
FY20-22	EBITDA CAGR	32.1%	24.7%

Note: EBITDA CAGR is for RJio and Bharti's India operations

Source: MOFSL, Company

**Exhibit 4: Comparison between RIL and organized retail peers FY20-22**

20-22	Metrics	RIL	DMart	Trent	ABFRL	DMart+Trent+ABFRL
Mar'20 to Dec'21	EV change	71.1%	101.5%	45.0%	30.3%	86.4%
FY20-22	EBITDA CAGR	6.4%	8.3%	2.7%	-4.7%	3.6%

\*RIL's EBITDA CAGR is for RR

Source: MOFSL, Company

However, since Dec'21, RIL stock has significantly underperformed Bharti (RIL EV: +12% vs. 2x for Bharti), despite a not-so-significant difference in EBITDA growth over FY22-24 (18% for RJio vs 20% for Bharti India). Further, RIL stock has also underperformed other large retailers (ex-DMart) over the same period, despite robust ~43% EBITDA CAGR for RR over FY22-24.

**Exhibit 5: Comparison between RIL and Bharti's FY22-24**

22-24	Metrics	RIL	Bharti
Dec'21 to Dec'24	EV change	12.2%	102.4%
FY22-24	EBITDA CAGR	18.0%	20.0%

\*EBITDA growth is for RJio and Bharti's India operations

Source: MOFSL, Company

**Exhibit 6: Comparison between RIL and organized retail peers FY22-24**

22-24	Metrics	RIL	DMart	Trent	ABFRL	DMart+Trent+ABFRL
Dec'21 to Dec'24	EV change	12.2%	-20.9%	529.4%	53.8%	41.7%
FY22-24	EBITDA CAGR	42.5%	28.2%	83.0%	14.9%	33.9%

\*RIL's EBITDA CAGR is for RR

Source: MOFSL, Company

**EBITDA performance robust, but stock has under-performed telecom and retail peers over the last five years**

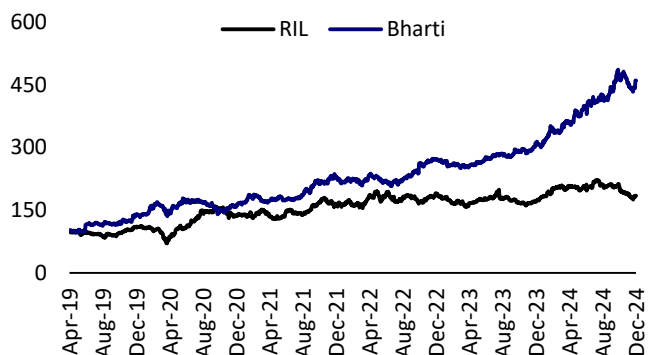
Over the last five years, we note that despite robust performance, with ~25% EBITDA CAGR over FY20-24 for Rjio vs. ~22% CAGR for Bharti, RIL has significantly underperformed Bharti (~11% five-year Enterprise value CAGR vs. ~27% CAGR for Bharti). As a result, we note that the gap between RIL's and Bharti's EV has shrunk from ~4x in Apr'19 to modest ~1.7x currently (refer to Exhibit 9). Over FY24-27E, we expect Rjio's EBITDA growth to remain higher than Bharti's India EBITDA growth.

**Exhibit 7: Comparison between RIL's and Bharti's five-year CAGR**

20-24	Metrics	RIL	Bharti
5-yr CAGR	EV CAGR	11.1%	27.3%
FY20-24	EBITDA CAGR	24.9%	22.3%
FY24-27	EBITDA CAGR	20.6%	17.7%

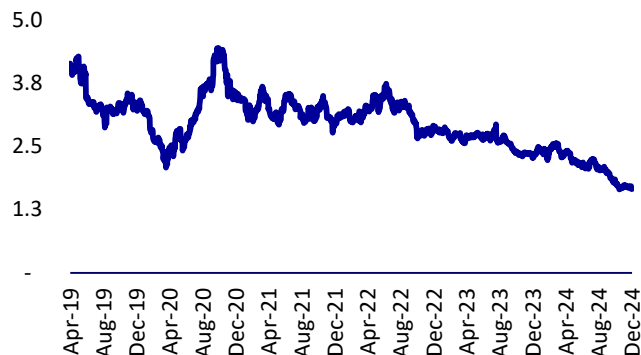
Source: MOFSL, Company

**Exhibit 8: Bharti has significantly outperformed RIL**



Note: EV comparison with Apr'19 EV indexed to 100; Source: MOFSL, Company

**Exhibit 9: Valuation Gap (EV) between RIL and Bharti has shrunk from 4x to ~1.7x over FY19-24**



Source: MOFSL, Company

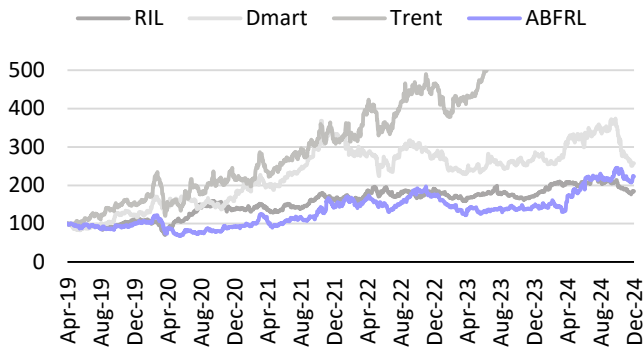
Similarly, RR has delivered ~23% EBITDA CAGR over FY20-24, significantly ahead of ABFRL (5%) and DMart (18%), with Trent being an outlier (~37% CAGR). However, RIL's stock price has underperformed both DMart and Trent over the past five years. As a result, the gap between RIL and combined EV for the three large retail peers has shrunk from ~7x in Apr'19 to ~3.5x currently (refer to Exhibit 12). We expect slightly lower (but still robust) ~14% EBITDA growth for RR over FY24-27.

**Exhibit 10: Comparison between RIL and organized retail peers (five-year CAGR)**

20-24	Metrics	RIL	DMart	Trent	ABFRL	DMart+Trent+ABFRL
5-yr CAGR	EV CAGR	11.1%	16.0%	66.7%	17.3%	28.0%
FY20-24	EBITDA CAGR	23.1%	17.8%	37.1%	4.6%	17.8%
FY24-27	EBITDA CAGR	13.8%	19.7%	37.9%	17.2%	24.5%

Source: MOFSL, Company

**Exhibit 11: All three large retailer stocks have outperformed RIL over FY19-24**



Note: EV comparison with Apr'19 EV indexed to 100; Source: MOFSL, Company

**Exhibit 12: Valuation Gap (EV) between RIL and other large retailers have shrunk over FY19-24**



Source: MOFSL, Company

## High capex and low FCF generation led to underperformance; expect FCF generation to pick up over FY24-27

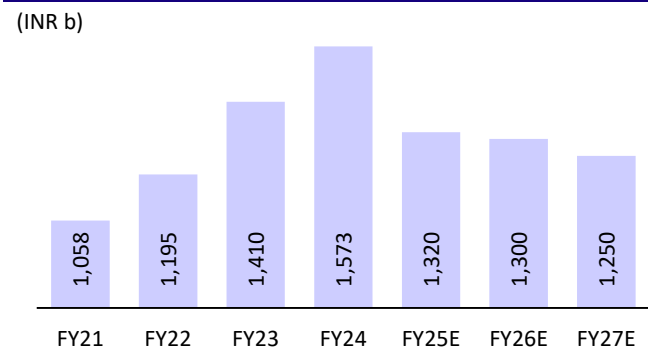
We believe RIL’s large capex, especially in Retail and RJio, and a lack of FCF generation were the key reasons for RIL’s underperformance.

However, with Pan-India 5G rollouts completed, we believe the peak of capex in RJio is likely behind and expect RJio to generate ~INR600b cumulative FCF 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 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.

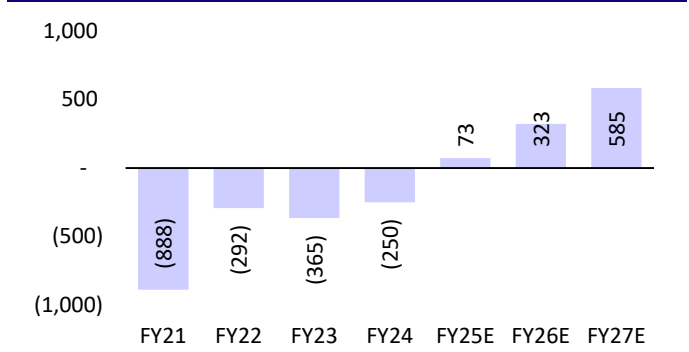
Overall, we model an annual consolidated cash capex of INR1.25-1.3t for RIL as a moderation in RJio capex is likely to be offset by higher capex in New Energy. However, we believe the peak of capex is likely behind, which should lead to FCF generation (~INR1t cumulatively over FY24-27) and a reduction in consolidated net debt.

**Exhibit 13: RIL’s overall capex has likely peaked in FY24**



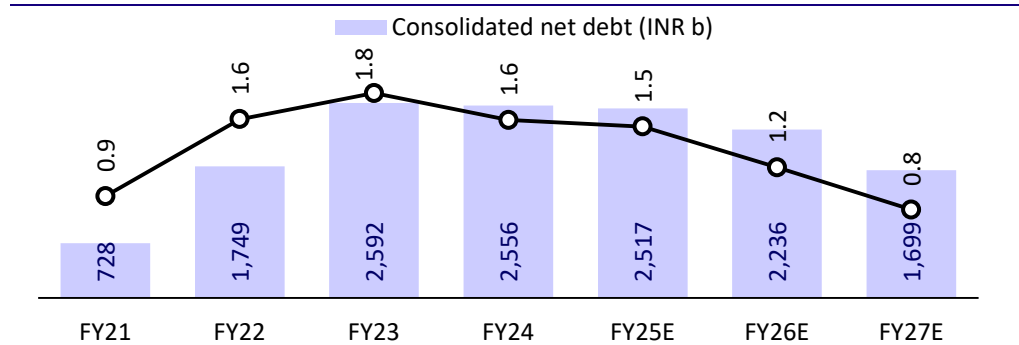
Source: MOFSL, Company

**Exhibit 14: Expect ~INR1t FCF generation over FY24-27**



Source: MOFSL, Company

**Exhibit 15: RIL’s net debt also likely peaked in FY24; net debt to EBITDA at comfortable levels**



Source: MOFSL, Company

## 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.

**Base case:** In our base case, we assume RJio to deliver 17%/21% revenue/EBITDA CAGR over FY24-27, with FY27 ARPU at INR253 (vs. INR195 currently). We assume ~12.5%/14% revenue/EBITDA CAGR over FY24-27 for RR (modest vs ~19%/29% CAGRs over FY19-24). For O2C, we assume recovery in consol O2C integrated margins to USD14.8/bbl by FY27 (vs. USD11.7/bbl in 1H), but still lower than USD15.2/bbl in FY24. We ascribe INR26/INR44 per share value to RIL's Media JV stake and New Energy foray. Under this scenario, we arrive at a TP of INR1,580/share for RIL, which implies ~20% upside to CMP.

**Bear case:** In our bear case, we assume RJio to deliver 14%/17% revenue/EBITDA CAGR over FY24-27, with FY27 ARPU at INR240 (vs. INR195 currently, 5% below our base case ARPU). We assume lower ~10% revenue and EBITDA CAGR over FY24-27 for RR (significantly below ~19%/29% CAGRs over FY19-24). For O2C, we assume only a modest recovery in consol O2C integrated margins to USD13.8/bbl by FY27 (vs USD11.7/bbl in 1H). We ascribe INR18/INR22 per share value to RIL's Media JV stake and New Energy foray. Under this scenario, we arrive at a TP of INR1,250/share for RIL, which implies ~5% downside to CMP.

**Bull case:** In our bull case, we assume RJio to deliver 19%/24% revenue/EBITDA CAGR over FY24-27, with FY27 ARPU at INR265 (vs. INR195 currently, 5% above our base case ARPU). We assume better ~15%/18% revenue and EBITDA CAGR over FY24-27 for RR (though well below ~19%/29% CAGRs over FY19-24). For O2C, we assume a stronger recovery in consol O2C integrated margins to USD15.8/bbl by FY27 (vs USD11.7/bbl in 1H), which is closer to FY23 margins. We ascribe INR37/INR89 per share value to RIL's Media JV stake and New Energy foray. Under this scenario, we arrive at a TP of INR1,975/share for RIL, which implies ~51% upside to CMP.

### Exhibit 16: RIL's equity value under various scenarios

RIL equity value (INR b)	Bear	Base	Bull
JPL attributable value	5,754	7,172	8,993
RRVL attributable value	6,355	8,120	10,150
Disney JV	247	347	494
Energy (O2C+E&P) EV	5,212	6,021	6,704
New Energy	300	600	1,200
Standalone net debt	-953	-885	-816
<b>RIL equity value</b>	<b>16,914</b>	<b>21,374</b>	<b>26,725</b>

Source: MOFSL, Company



**Exhibit 17: RIL's SoTP based TP under various scenarios**

<b>RIL SoTP (INR/share)</b>	<b>Bear</b>	<b>Base</b>	<b>Bull</b>
JPL	425	530	665
RRVL	470	600	750
Disney JV	18	26	37
Energy (O2C+E&P) EV	385	445	495
New Energy equity	22	44	89
Standalone net debt	-70	-65	-60
<b>RIL TP</b>	<b>1,250</b>	<b>1,580</b>	<b>1,975</b>
Upside/downside	-5%	20%	51%

Source: MOFSL, Company

**Exhibit 18: Consolidated – cuts largely driven by realignment of standalone earnings (INRb)**

<b>RIL Consolidated</b>	<b>FY25E</b>	<b>FY26E</b>	<b>FY27E</b>
<b>Revenue</b>			
Old	9,299	9,927	10,758
Actual/New	9,322	9,784	10,458
Change (%)	0%	-1%	-3%
<b>EBITDA</b>			
Old	1,650	2,051	2,300
Actual/New	1,658	1,933	2,172
Change (%)	0%	-6%	-6%
<b>PAT</b>			
Old	654	877	995
Actual/New	692	832	944
Change (%)	6%	-5%	-5%

Source: Company, MOFSL

## Digital services (RJio): Tariff hike, market share gains, and FWA to drive growth

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. The pass-through of Jul'24 tariff hike has been encouraging and the full benefits should reflect by Mar'25. RJio reported ~13m wireless subscriber decline in 2QFY25. However, we believe the subscriber churn was driven more by the clean-up of inactive subs base rather than being an outcome of the tariff hike, as RJio's VLR additions remained robust in 2QFY25.

We build in another ~15% tariff hike in Dec'25. Vi is looking at a capex of INR500-550b over FY24-27 to boost its network coverage/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.

With the ramp-up in AirFiber (FWA) offerings, RJio has accelerated the pace of net additions in Home broadband to ~1.8m home connects in 2QFY25 and targets to further scale up subscriber net adds to ~3m homes/quarter. We expect RJio's home broadband subscriber base to inch up to ~35m by FY27 (vs. ~14m in Sep'24) and contribution from the Broadband business to increase to ~12-13% by FY27 (vs. ~7% currently).

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, which could lead to further value creation.

**Base case:** We build in an ARPU CAGR of ~12% over FY24-27, with **FY27 ARPU at INR253** (vs. INR195 in 2QFY25), driven by full flow-through of Jul'24 tariff hikes, increased contribution from FWA/FTTH, and ~15% tariff hike in Dec'24. We expect RJio's overall subscriber base to inch up to 540m (vs. 479m in Sep'24), driven by market share gains in the wireless business and further ramp-up in FWA. As a result, we build in a **revenue/EBITDA CAGR of ~17%/21% over FY24-27**. We ascribe a DCF based EV/EBITDA multiple of **12.7x** to arrive at an enterprise value of **INR12.5t (or ~USD147b)** for JPL and an attributable value of **INR530/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 INR1900.

**Bear case:** In our bear case, we build an ARPU CAGR of ~10% over FY24-27, with **FY27 ARPU at INR240** (5% lower than our base case) and expect RJio's overall subscriber base to inch up to 520m (vs. 540m in base case). As a result, we build in a **revenue/EBITDA CAGR of ~14%/17% over FY24-27**. In this case, we ascribe EV/EBITDA multiple of **11.5x** to arrive at an enterprise value of **INR10.4t (or**

~**USD123b**) 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 ~15% lower than the current implied EV for Bharti's India business.**

**Bull case:** In our bull case, we build an ARPU CAGR of 13.5% over FY24-27, with **FY27 ARPU at INR265** (5% higher than our base case) and expect RJio's overall subscriber base to inch up to 550m (vs. 540m in base case). As a result, we build in a **revenue/EBITDA CAGR of ~19%/24% over FY24-27**. In this case, we ascribe EV/EBITDA multiple of ~**14x** to arrive at an enterprise value of **INR15.1t (or ~USD179b)** for JPL and an attributable value of **INR665/share** for RIL's stake in JPL.

#### Exhibit 19: Scenario analysis for RJio

RJio		Bear	Base	Bull
<b>FY27 ARPU</b>	<b>INR/month</b>	<b>240</b>	<b>253</b>	<b>265</b>
FY27 subscriber base	m	520	540	550
FY24-27 revenue CAGR	%	14.3%	16.8%	19.1%
<b>FY24-27 EBITDA CAGR</b>	<b>%</b>	<b>17.2%</b>	<b>20.6%</b>	<b>24.1%</b>
<b>EV/EBITDA multiple</b>	<b>x</b>	<b>11.5</b>	<b>12.7</b>	<b>14.0</b>
<b>Enterprise Value</b>	<b>INR b</b>	<b>10,374</b>	<b>12,462</b>	<b>15,144</b>
	<b>USD b</b>	<b>123</b>	<b>147</b>	<b>179</b>
Equity Value	INR b	8,655	10,788	13,528
<b>Attributable to RIL</b>	<b>INR/sh</b>	<b>425</b>	<b>530</b>	<b>665</b>
<b>Risk-reward vs. base case</b>	<b>%</b>	<b>-20</b>		<b>25</b>

Source: MOFSL, Company

#### Exhibit 20: Key assumptions for RJio

Operating metrics	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
EoP wireless subs (m)	388	424	405	431	471	473	485	505
<b>Wireless ARPU (INR/month)</b>	<b>130</b>	<b>141</b>	<b>150</b>	<b>173</b>	<b>174</b>	<b>191</b>	<b>212</b>	<b>237</b>
EoP Broadband (inc. FWA) subs (m)	1	3	5	8	11	18	27	35
Blended broadband ARPU (INR/month)	—	662	496	503	503	484	500	500
<b>Overall subscribers at end-period (m)</b>	<b>389</b>	<b>426</b>	<b>410</b>	<b>439</b>	<b>482</b>	<b>491</b>	<b>512</b>	<b>540</b>
<b>Blended ARPU (INR/month)</b>	<b>130</b>	<b>143</b>	<b>153</b>	<b>178</b>	<b>181</b>	<b>200</b>	<b>225</b>	<b>253</b>
<b>Financials</b>								
Revenue	543	699	770	908	1,001	1,166	1,356	1,594
<b>EBITDA</b>	<b>216</b>	<b>309</b>	<b>376</b>	<b>467</b>	<b>524</b>	<b>628</b>	<b>752</b>	<b>919</b>
Overall EBITDA margins (%)	39.7	44.2	48.9	51.4	52.4	53.9	55.5	57.7
<b>Net income</b>	<b>56</b>	<b>120</b>	<b>148</b>	<b>182</b>	<b>205</b>	<b>265</b>	<b>332</b>	<b>424</b>

Source: MOFSL, Company

#### Exhibit 21: RJio – estimates broadly unchanged as higher ARPU offsets lower subscriber net adds (INR b)

RJio	FY25E	FY26E	FY27E
<b>Revenue</b>			
Old	1,162	1,342	1,585
Actual/New	1,166	1,356	1,594
Change (%)	0%	1%	1%
<b>EBITDA</b>			
Old	624	742	912
Actual/New	628	752	919
Change (%)	1%	1%	1%
<b>PAT</b>			
Old	261	325	419
Actual/New	265	332	424
Change (%)	1%	2%	1%

Source: Company, MOFSL

**Exhibit 22: Valuations: Ascribe INR12.5t Enterprise value for JPL, which implies INR530/share valuation for RIL's stake**

Digital services	EBITDA (INR b)	Implied FY27 multiple (x)	Value (INR b)	Value (USD b)
<b>RJIL</b>	<b>919</b>	<b>12.7</b>	<b>11,639</b>	<b>138</b>
Wireless	817	12.7	10,338	122
Homes	103	12.7	1,301	15
JPL and others	65	12.7	823	10
<b>Enterprise value</b>	<b>984</b>		<b>12,462</b>	<b>147</b>
Net debt			1,674	20
<b>Equity value</b>			<b>10,788</b>	<b>128</b>
Attributable to RIL (66.48% stake)			7,172	
<b>RIL's stake value (INR/share)</b>			<b>530</b>	

Source: MOFSL, Company

**Exhibit 23: 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	133	113	12.3	10.6	8.9	1.9	1.3	0.5	53.5	54.8	56.5	15.8%
Vodafone Idea	35	7	15.6	13.9	11.9	12.5	11.9	10.2	41.8	42.7	45.0	12.1%
Bharti Hexacom	9	8	18.8	14.9	12.4	2.0	1.6	1.3	50.1	53.4	55.7	23.9
RJio	147	128	18.4	15.4	12.7	2.8	2.0	1.2	53.9	55.5	57.7	20.6%

Note: For RJio, we have used enterprise value/market cap based on our base case scenarios

Source: MOFSL, Bloomberg consensus

## Reliance Retail: Growth recovery holds the key for RIL stock to re-rate

Over the past few quarters, RR's growth has been impacted by weak discretionary demand as well as its focus on streamlining operations and adopting a more calibrated approach in B2B. Further, we believe the growth in the grocery segment was also likely impacted by the rapid uptake of Quick Commerce. We note that RR is also looking to improve its delivery timelines to 2-hour delivery, same-day delivery, etc. to align with the change in user preference toward convenience.

We expect RR's growth to pick up in 2H with the festive season and higher number of weddings. However, a return to the double-digit group could take few quarters as the company is likely to continue focusing on streamlining operations. 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.

**Base case:** We build in a **gross revenue CAGR of ~12.5%** for RR over FY24-27 (significantly lower vs. ~19% CAGR over FY19-24). With RR's focus on streamlining operations and calibration in B2B, we expect profitability to improve. However, we build in only a **modest improvement in EBITDA margin to 8.4% by FY27** (similar to ~8.4% in 2QFY25) for **~14% EBITDA CAGR over FY24-27** (vs ~29% over FY19-24). We ascribe a blended EV/EBITDA of **32x (35x for core retail and ~7x for connectivity)**, based on average valuations for comparable retail peers (DMart, Trent, and ABFRL). We arrive at an enterprise value of **~INR10t (USD118b)** for RRVL and an attributable value of **INR600/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 **gross revenue CAGR of 10%** for RR over FY24-27 (even lower vs. ~12.5% base case CAGR). Further, we build in broadly **stable margins at 8.1% in FY27** (vs. 8% in FY24) for **~10% EBITDA CAGR over FY24-27**. In this case, we ascribe a blended EV/EBITDA of **27x** (30x for core retail and ~7x for connectivity) to arrive at an enterprise value of **~INR7.9t (USD93b)** for RRVL and an attributable value of **INR470/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 stronger recovery in revenue growth over FY26-27 to drive **gross revenue CAGR of ~15%** for RR over FY24-27 (still lower vs. ~19% CAGR over FY19-24). Further, with better growth recovery, we also build in **margin expansion to ~8.8% by FY27** (vs. ~8.4% in 2QFY25) to drive **~18% EBITDA CAGR over FY24-27** (vs ~29% over FY19-24). We ascribe a blended EV/EBITDA of **37x** (40x for core retail and ~7x for connectivity) to arrive at an enterprise value of **~INR12.4t (USD147b)** for RRVL and an attributable value of **INR750/share** for RIL's stake in RRVL.

**Exhibit 24: Scenario analysis for RR**

Reliance Retail		Bear	Base	Bull
<b>FY24-27 revenue CAGR</b>	%	<b>10.0%</b>	<b>12.6%</b>	<b>15.0%</b>
FY27 EBITDA margin	%	8.1	8.4	8.8
<b>Core retail EV/EBITDA multiple</b>	x	<b>30</b>	<b>35</b>	<b>40</b>
Blended EV/EBITDA multiple	x	27	32	37
<b>Enterprise Value</b>	<b>INR b</b>	<b>7,869</b>	<b>9,982</b>	<b>12,413</b>
	<b>USD b</b>	<b>93</b>	<b>118</b>	<b>147</b>
Equity Value	INR b	7,610	9,723	12,155
<b>Attributable to RIL</b>	<b>INR/sh</b>	<b>470</b>	<b>600</b>	<b>750</b>
<b>Risk-reward vs. base case</b>	%	<b>-22</b>		<b>25</b>

Source: MOFSL, Company

**Exhibit 25: Key assumptions for RR**

Key financial metrics (INR b)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
<b>Gross revenue</b>	<b>1,629</b>	<b>1,576</b>	<b>1,997</b>	<b>2,604</b>	<b>3,068</b>	<b>3,262</b>	<b>3,756</b>	<b>4,385</b>
Core retail	977	736	1,073	1,514	1,866	1,863	2,129	2,472
Connectivity	653	841	924	1,090	1,202	1,399	1,627	1,913
<b>EBITDA</b>	<b>97</b>	<b>85</b>	<b>109</b>	<b>176</b>	<b>222</b>	<b>241</b>	<b>279</b>	<b>327</b>
Core retail	86	71	94	158	202	218	252	295
Connectivity	11	14	15	18	20	23	27	32
<b>Revenue growth (%)</b>								
<b>Gross revenue</b>	<b>24.8</b>	<b>(3.3)</b>	<b>26.7</b>	<b>30.4</b>	<b>17.8</b>	<b>6.3</b>	<b>15.2</b>	<b>16.7</b>
Core retail	19.6	(24.7)	45.8	41.1	23.3	(0.2)	14.3	16.1
Connectivity	33.5	28.8	9.9	17.9	10.3	16.4	16.3	17.6
<b>EBITDA margin on gross revenue (%)</b>								
<b>RRVL</b>	<b>5.9</b>	<b>5.4</b>	<b>5.5</b>	<b>6.8</b>	<b>7.2</b>	<b>7.4</b>	<b>7.4</b>	<b>7.5</b>
Core retail	8.8	9.6	8.8	10.4	10.8	11.7	11.8	12.0
Connectivity	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7

Source: MOFSL, Company

**Exhibit 26: RRVL – estimates broadly unchanged for RRVL (INR b)**

RRVL	FY25E	FY26E	FY27E
<b>Revenue</b>			
Old	2,876	3,322	3,847
Actual/New	2,847	3,279	3,828
Change (%)	-1%	-1%	-1%
<b>EBITDA</b>			
Old	240	279	320
Actual/New	238	275	323
Change (%)	-1%	-1%	1%
<b>PAT</b>			
Old	117	140	164
Actual/New	117	136	165
Change (%)	0%	-2%	0%

Source:

**Exhibit 27: Valuations: Ascribe INR10t enterprise valuation to RRVL, which implies INR600/share valuation for RIL's stake**

RRVL valuation	EBITDA (INR b)	multiple (x)	Value
<b>Core EBITDA</b>	<b>279</b>	<b>35</b>	<b>9,778</b>
Connectivity	31	7	204
<b>Enterprise Value (INR b)</b>	<b>311</b>	<b>32</b>	<b>9,982</b>
Less Net Debt			259
<b>Equity Value (INR b)</b>			<b>9,723</b>
No of Shares (b)			13.5
<b>Equity value (INR/sh)</b>			<b>719</b>
RIL stake in RRVL			83.5%
<b>RRVL value in RIL SOTP (INR/sh)</b>			<b>600</b>

Source: MOFSL, Company

**Exhibit 28: Valuation comparables for select Indian retailers**

Retail comps	Enterprise Value	Market cap	EV/Sales (X)			EV/EBITDA (X)			P/E (X)			EBITDA CAGR (%)
	(INR b)		2025	2026	2027	2025	2026	2027	2025	2026	2027	2024-27E
Avenue Supermarts	2,480	2,477	4.2	3.5	3.0	52.4	42.1	35.2	85.8	69.0	56.7	19.7%
Trent	2,484	2,487	14.3	10.9	8.3	89.0	65.6	48.9	146.2	105.9	77.8	37.9%
ABFRL	367	333	2.7	2.5	2.2	24.0	20.4	17.7	n/m	n/m	n/m	17.2%
Shoppers Stop	71	69	2.2	2.2	2.1	13.4	12.4	11.5	190.2	169.0	71.9	14.4%
Vedant Fashions	323	325	22.2	18.7	15.5	45.0	37.3	30.4	72.7	58.7	46.4	17.1%
V mart	95	79	2.5	2.1	1.8	24.8	20.6	17.3	NM	214.9	92.6	38.7%
RR	9,982	9,723	3.5	3.0	2.6	42.0	36.3	30.9	83.3	71.4	59.1	13.8%

Note: RR sales/EBITDA/earnings include contribution from connectivity (Rjio recharges); valuations for RR based on our base case scenario

Source: MOFSL, Company

## Energy: Refining margins recovery underway; petchem to remain soft

While RIL's O2C segment delivered a weak performance in 2QFY25 due to weaker refining and petchem spreads, we note that SG complex GRM has been on a recovering trend (3QFYTD average: ~USD5/bbl vs. USD3.1/bbl in 2Q). We believe GRMs should remain healthy, albeit range-bound in CY25 amid global oil demand continuing to be under pressure (IEA: 1mbpd increase).

Petchem cracks have remained weak and we do not expect a sharp recovery in the next few quarters. Global capacity additions remain aggressive for products such as PE and PP, based on the commentary from South East Asian petchem players. For RIL, the key projects that are slated to begin production include 3mtpa PTA capacity (2027) and 1mtpa PET plant (FY27).

We now align our standalone financials in line with RIL's reporting for O2C, wherein a large chunk of profits is now attributable to syngas, Retail JV, and two trading entities outside the standalone business. After a subdued 1HFY25, we build in modest recovery in consolidated O2C EBITDA. However, we note that our FY27 consol O2C EBITDA is only marginally higher than FY24 levels and could have upside risks from recovery in petchem cycle and higher contribution from petro retail marketing JV.

**Base case:** While we build in recovery in O2C performance from subdued 1HFY25 levels, our FY27 (O2C+E&P) EBITDA is broadly similar to FY24 levels (modest ~1% FY24-27 CAGR) as we build in recovery in integrated consol O2C margins to **USD14.8/bbl** (vs. USD15.2/bbl in FY24 and USD11.7/bbl in 1HFY25). We ascribe a Dec'26 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 enterprise value of **INR445/sh**.

**Bear case:** In our bear case, we assume a gradual recovery in refining and petchem margins. We build in integrated consol O2C margins at **USD13.8/bbl** (vs USD14.8/bbl in base case and USD15.2/bbl in FY24). Under this assumption, our FY27 consol O2C EBITDA is **lower by ~INR43b (7%)** and FY27 Standalone EBITDA is ~5% lower as compared to our base case and also lower than FY24 levels. We ascribe a Mar'27 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 **INR5.2t (or ~USD62b)** for combined O2C and E&P segment, implying a per share enterprise value of **INR385/sh**.

**Bull case:** In our bull case, we assume better recovery in refining and petchem margins. We build in integrated consol O2C margins at **USD15.8/bbl** (vs USD14.8/bbl in base case and USD15.2/bbl in FY24). Under this assumption, our FY27 consol O2C EBITDA is **higher by ~INR43b (7%)** and FY27 SA EBITDA is 5% higher than our base case, but a modest 2% EBITDA CAGR over FY24-27. We ascribe a Mar'27 EV/EBITDA multiple of **8x to O2C** (vs. 7.5x in base case) and **6x to E&P** business to arrive at an enterprise value of **INR6.7t (or ~USD79b)** for the combined O2C and E&P segment, implying a per share enterprise value of **INR495/sh**.



**Exhibit 29: Scenario analysis for the Energy business**

O2C and E&P business		Bear	Base	Bull
<b>FY27 integrated O2C margin</b>	<b>USD/bbl</b>	<b>13.8</b>	<b>14.8</b>	<b>15.8</b>
FY27 consol O2C EBITDA	INR b	592	634	677
FY27 E&P EBITDA	INR b	214	214	214
<b>FY27 consol O2C+E&amp;P EBITDA</b>	<b>INR b</b>	<b>806</b>	<b>849</b>	<b>892</b>
O2C EV/EBITDA multiple	x	7.0	7.5	8.0
E&P EV/EBITDA multiple	x	5.0	6.0	6.0
<b>Enterprise Value</b>	<b>INR b</b>	<b>5,212</b>	<b>6,021</b>	<b>6,704</b>
	<b>USD b</b>	<b>62</b>	<b>71</b>	<b>79</b>
Equity Value	INR b	4,258	5,136	5,887
<b>Equity Value</b>	<b>INR/sh</b>	<b>315</b>	<b>380</b>	<b>435</b>
<b>Risk-reward vs. base case</b>	<b>%</b>	<b>-17</b>		<b>15</b>

Source: MOFSL, Company

**Exhibit 30: RIL Standalone – cuts optically higher due to a shift in profits from standalone to consolidated for O2C (INR b)**

RIL Standalone	FY25E	FY26E	FY27E
<b>Revenue</b>			
Old	5,042	5,027	5,074
Actual/New	5,073	5,034	5,085
Change (%)	1%	0%	0%
<b>EBITDA</b>			
Old	628	844	848
Actual/New	568	666	674
Change (%)	-10%	-21%	-21%
<b>PAT</b>			
Old	327	454	451
Actual/New	310	363	362
Change (%)	-5%	-20%	-20%

Source: Company, MOFSL

**New Energy: A behemoth is born**

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 see the following as key implications for RIL and the sector from this development.

**Best placed to utilize economies of scale:**

RIL will achieve 20GW in module manufacturing capacity by FY27, making it a behemoth in the solar module manufacturing space in India. This compares with the current solar module manufacturing capacity of ~77GW in India ([media article](#)). For context, Tata Power/Waaree currently have 4.9GW/13.3GW of solar module manufacturing capacity operational.

**Backward integration allows for significant long-term competitive advantage:**

RIL aims to integrate backward from modules to cells, ingots, wafers, and glass manufacturing by FY27-28, a feat that requires not only significant capital commitments but also technical know-how. To date, only a limited number of manufacturers have been able to backward integrate into cells and few have the technological capability and financial resources to create a 20GW of fully integrated

solar module manufacturing facility. Over time, this backward integration will enable the company to achieve not only a strong market share but also cost leadership.

Additionally, when and if the government mandates further backward integration in the solar module chain for central/state entity awarded projects (as is the case currently for modules and is proposed for cells), RIL will be better positioned than any other competitor, in our view.

**Profitability is minuscule for now but can be a significant growth driver over time:**

In FY24 AGM, RIL had outlined its vision for the New Energy segment to become as big as the O2C business in 5-7 years. We believe near-term profit contribution from new energy will be minuscule as the bulk of the output will be for captive consumption (RIL intends to set up 100GW of renewable generation capacity by 2030; this is inclusive of green hydrogen requirements). As such, we are not building in any profit contribution till 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.

**Standalone operating cash flow to fund New Energy initiatives:**

RIL had originally outlined a vision to invest USD10b in the New Energy business over three years. However, we understand that to date, the capex outlay has been slow, with investments amounting to USD3-4b. The balance is likely to be invested over the next 2-3 years. That being said, given the company's plans to undertake battery manufacturing, green hydrogen initiatives, etc, we believe the original USD10b investment commitment will have to be increased.

RIL's standalone 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 who 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.

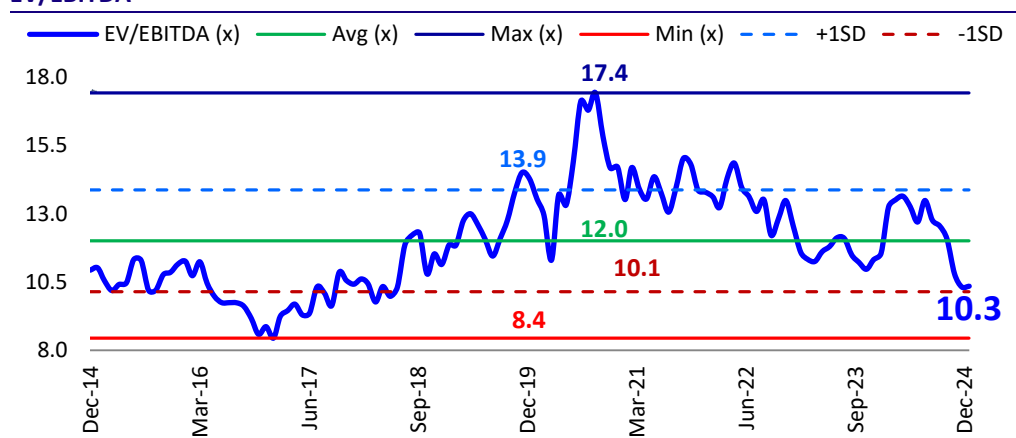
Currently, we ascribe ~INR600b equity value to RIL's New Energy foray (~2x invested capital), which implies modest ~INR44/share contribution to RIL. However, we believe as RIL commissions the giga factories, there could be significant value accretion.

**Exhibit 31: Valuations: Ascribe INR6t enterprise value to RIL’s O2C and E&P business and INR600b to New Energy**

Energy business	EBITDA	Multiple	Value (INR b)	Value (USD b)
<b>Standalone EV</b>	<b>846</b>	<b>7.1</b>	<b>6,021</b>	<b>71</b>
O2C	631	7.5	4,736	56
E&P	214	6	1,285	15
Standalone net debt			885	10
<b>Standalone equity value</b>			<b>5,136</b>	<b>61</b>
Standalone equity value/sh			380	
<b>New Energy equity value</b>			<b>600</b>	<b>7</b>
New Energy equity value/sh			44	
<b>Energy business equity value/sh</b>			<b>424</b>	

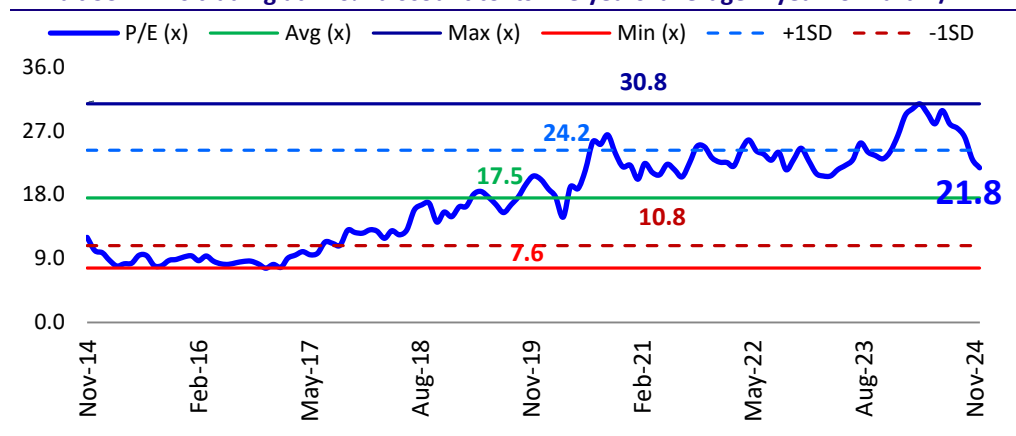
Source: MOFSL, Company

**Exhibit 32: RIL is trading at ~20% discount to its five years’ average 1-year forward EV/EBITDA**



Source: MOFSL, Company

**Exhibit 33: RIL is trading at ~10% discount to its five years’ average 1-year forward P/E**



Source: MOFSL, Company

## Reliance Jio Infocomm: Financials and valuations

### Consolidated - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Total Income from Operations</b>	543	699	770	908	1,001	1,166	1,356	1,594
Change (%)	33.6	28.7	10.1	17.9	10.3	16.4	16.3	17.6
<b>Total Expenditure</b>	327	390	393	441	477	538	604	675
% of Sales	60.3	55.8	51.1	48.6	47.6	46.1	44.5	42.3
<b>EBITDA</b>	216	309	376	467	524	628	752	919
Margin (%)	39.7	44.2	48.9	51.4	52.4	53.9	55.5	57.7
Depreciation	74	115	136	185	214	232	258	290
<b>EBIT</b>	142	194	240	281	310	395	494	629
Int. and Finance Charges	66	38	44	41	40	46	55	66
Other Income	1	5	2	4	5	6	6	7
<b>PBT after EO Exp.</b>	76	161	199	244	275	356	446	570
Total Tax	21	41	50	62	70	91	114	145
Tax Rate (%)	27.2	25.3	25.4	25.5	25.5	25.5	25.5	25.5
<b>Reported PAT</b>	56	120	148	182	205	265	332	424
<b>Adjusted PAT</b>	56	120	148	182	205	265	332	424
Change (%)	87.7	116.0	23.3	22.9	12.4	29.4	25.4	27.8
Margin (%)	10.2	17.2	19.2	20.1	20.4	22.7	24.5	26.6

### 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	2,178	2,511	2,935
<b>Net Worth</b>	1,710	1,830	1,978	2,160	2,364	2,628	2,961	3,385
Total Loans	470	300	797	1,529	1,656	1,652	1,462	1,122
<b>Capital Employed</b>	2,179	2,129	2,775	3,689	4,020	4,281	4,423	4,507
Gross Block	1,772	1,965	2,555	2,867	3,031	3,729	4,329	4,903
Less: Accum. Deprn.	138	253	389	615	828	1,025	1,283	1,573
<b>Net Fixed Assets</b>	1,634	1,712	2,165	2,252	2,203	2,704	3,046	3,331
Capital WIP	213	170	479	1,660	2,079	1,779	1,579	1,379
<b>Total Investments</b>	25	15	17	17	36	36	36	36
<b>Curr. Assets, Loans&amp;Adv.</b>	545	604	524	529	556	534	541	611
Account Receivables	16	14	43	24	15	20	25	45
Cash and Bank Balance	75	6	6	9	14	13	39	89
Loans and Advances	454	584	475	496	527	501	477	477
<b>Curr. Liability &amp; Prov.</b>	238	371	410	768	855	773	779	849
Account Payables	47	22	20	34	43	43	43	43
Other Current Liabilities	190	323	313	595	601	429	333	286
Provisions	1	26	78	140	210	301	403	520
<b>Net Current Assets</b>	308	233	114	-240	-299	-239	-238	-239
<b>Appl. of Funds</b>	2,179	2,129	2,775	3,689	4,020	4,281	4,423	4,507

## Reliance Jio Infocomm: Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>								
EPS	1.2	2.7	3.3	4.0	4.5	5.9	7.4	9.4
Cash EPS	2.9	5.2	6.3	8.2	9.3	11.0	13.1	15.9
BV/Share	38.0	40.7	44.0	48.0	52.5	58.4	65.8	75.2
<b>Valuation (x)</b>								
FCF per share	-7.7	1.5	0.6	3.2	0.4	1.9	3.8	7.6
<b>Return Ratios (%)</b>								
RoE	5.3	6.8	7.8	8.8	9.0	10.6	11.9	13.4
RoCE	5.2	6.9	7.4	6.6	6.1	7.2	8.6	10.6
RoIC	6.2	7.6	8.5	9.8	11.9	13.6	14.1	16.2
<b>Working Capital Ratios</b>								
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
<b>Leverage Ratio (x)</b>								
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	8.6	9.0	9.5
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	356	446	570
Depreciation	74	115	136	185	214	232	258	290
Interest & Finance Charges	66	38	44	41	40	46	55	66
Direct Taxes Paid	-12	-1	-1	13	-1	-	(11)	(28)
(Inc)/Dec in WC	-40	19	-64	-2	30	25	22	-16
<b>CF from Operations</b>	165	332	313	482	558	659	770	881
Others	-2	-6	0	-1	-4	-112	-104	-92
<b>CF from Operating incl EO</b>	163	326	313	481	553	547	666	790
(Inc)/Dec in FA	-508	-257	-288	-335	-533	-463	-497	-446
<b>Free Cash Flow</b>	-345	69	25	146	20	84	169	343
(Pur)/Sale of Investments	-9	14	-1	1	-16			
Others	-164	0	0	0	1	6	6	7
<b>CF from Investments</b>	-681	-243	-288	-334	-548	-457	-491	-440
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
<b>CF from Fin. Activity</b>	588	-152	-24	-145	0	-90	-150	-300
<b>Inc/Dec of Cash</b>	70	-69	0	2	5	0	25	50
Opening Balance	0	71	2	2	4	10	9	35
<b>Closing Balance</b>	71	2	2	4	10	9	35	84
Other Bank Balance	4	4	4	4	4	4	4	4
<b>Total balance</b>	75	6	6	9	14	13	39	89

## Reliance Retail Ventures: Financials and valuations

### Standalone - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Total Income from Operations</b>	1463	1391	1750	2309	2731	2847	3279	3828
Change (%)	25.7	-4.9	25.8	32.0	18.3	4.3	15.2	16.7
<b>Total Expenditure</b>	1367	1308	1642	2135	2512	2609	3004	3505
% of Sales	93.5	94.0	93.8	92.5	92.0	91.6	91.6	91.6
<b>EBITDA</b>	<b>95</b>	<b>83</b>	<b>108</b>	<b>174</b>	<b>219</b>	<b>238</b>	<b>275</b>	<b>323</b>
Margin (%)	6.5	6.0	6.2	7.5	8.0	8.4	8.4	8.4
Depreciation	18	18	22	40	56	69	78	87
<b>EBIT</b>	<b>77</b>	<b>65</b>	<b>86</b>	<b>135</b>	<b>163</b>	<b>169</b>	<b>197</b>	<b>236</b>
Int. and Finance Charges	10	5	7	18	26	27	30	32
Other Income	2	15	16	4	12	15	15	16
<b>PBT after EO Exp.</b>	<b>69</b>	<b>75</b>	<b>95</b>	<b>121</b>	<b>149</b>	<b>156</b>	<b>182</b>	<b>220</b>
Total Tax	0	0	0	0	0	0	0	0
Tax Rate (%)	69	75	95	121	149	156	182	220
<b>Reported PAT</b>	<b>19</b>	<b>19</b>	<b>25</b>	<b>29</b>	<b>38</b>	<b>39</b>	<b>46</b>	<b>55</b>
<b>Adjusted PAT</b>	<b>27.4</b>	<b>26.1</b>	<b>25.8</b>	<b>24.5</b>	<b>25.5</b>	<b>25.2</b>	<b>25.2</b>	<b>25.2</b>
Change (%)	50	55	71	91	111	117	136	165
Margin (%)	50	55	71	91	111	117	136	165

### 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	1297	1434	1598
<b>Net Worth</b>	<b>191</b>	<b>816</b>	<b>910</b>	<b>998</b>	<b>1282</b>	<b>1399</b>	<b>1535</b>	<b>1699</b>
Total Loans	46	90	223	495	456	455	454	453
<b>Capital Employed</b>	<b>263</b>	<b>934</b>	<b>1150</b>	<b>1518</b>	<b>1776</b>	<b>1892</b>	<b>2027</b>	<b>2191</b>
Gross Block	152	229	393	896	1204	1384	1564	1744
Less: Accum. Deprn.	42	62	89	129	185	254	332	419
<b>Net Fixed Assets</b>	<b>110</b>	<b>168</b>	<b>303</b>	<b>767</b>	<b>1019</b>	<b>1130</b>	<b>1232</b>	<b>1325</b>
Capital WIP	89	115	251	268	208	208	208	208
<b>Total Investments</b>	<b>12</b>	<b>437</b>	<b>275</b>	<b>166</b>	<b>212</b>	<b>212</b>	<b>212</b>	<b>212</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>171</b>	<b>295</b>	<b>468</b>	<b>490</b>	<b>604</b>	<b>630</b>	<b>711</b>	<b>842</b>
Inventory	103	131	215	271	243	253	291	340
Account Receivables	29	62	91	61	63	78	90	105
Cash and Bank Balance	5	5	6	6	109	102	102	132
Loans and Advances	34	96	156	152	189	197	227	265
<b>Curr. Liability &amp; Prov.</b>	<b>132</b>	<b>101</b>	<b>175</b>	<b>201</b>	<b>294</b>	<b>316</b>	<b>363</b>	<b>424</b>
Account Payables	64	70	138	165	253	273	314	367
Other Current Liabilities	67	30	35	34	38	40	46	54
Provisions	1	1	2	2	3	3	3	3
<b>Net Current Assets</b>	<b>39</b>	<b>195</b>	<b>293</b>	<b>289</b>	<b>310</b>	<b>314</b>	<b>348</b>	<b>419</b>
<b>Appl. of Funds</b>	<b>263</b>	<b>934</b>	<b>1150</b>	<b>1518</b>	<b>1776</b>	<b>1892</b>	<b>2027</b>	<b>2191</b>

## Reliance Retail Ventures: Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>8.3</b>	<b>9.2</b>	<b>11.8</b>	<b>15.2</b>	<b>18.5</b>	<b>19.5</b>	<b>22.7</b>	<b>27.4</b>
Cash EPS	11.4	12.3	15.4	21.8	27.8	31.0	35.7	42.0
BV/Share	31.9	136.0	151.7	166.4	213.7	233.1	255.8	283.2
<b>Return Ratios (%)</b>								
RoE	30.6	11.0	8.2	9.5	9.8	8.7	9.3	10.2
RoCE	22.7	10.3	7.4	8.0	8.1	7.6	8.2	9.1
RoIC	33.6	18.0	13.1	12.4	10.7	9.9	10.5	11.4
<b>Working Capital Ratios</b>								
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
<b>Leverage Ratio (x)</b>								
Current Ratio	1.3	2.9	2.7	2.4	2.1	2.0	2.0	2.0
Interest Cover Ratio	8.1	12.4	13.0	7.3	6.3	6.2	6.6	7.4
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	156	182	220
Depreciation	14	18	22	40	56	69	78	87
Interest & Finance Charges	9	-2	-9	14	18	13	15	16
Direct Taxes Paid	-11	-17	-20	-28	-25	-39	-46	-55
(Inc)/Dec in WC	84	-66	-75	-58	124	-12	-33	-41
<b>CF from Operations</b>	<b>170</b>	<b>9</b>	<b>14</b>	<b>88</b>	<b>322</b>	<b>186</b>	<b>197</b>	<b>226</b>
Others	0	-7	0	0	-3	0	0	0
<b>CF from Operating incl EO</b>	<b>169</b>	<b>2</b>	<b>15</b>	<b>88</b>	<b>319</b>	<b>186</b>	<b>197</b>	<b>226</b>
(Inc)/Dec in FA	-74	-100	-271	-457	-210	-180	-180	-180
<b>Free Cash Flow</b>	<b>95</b>	<b>-98</b>	<b>-256</b>	<b>-369</b>	<b>109</b>	<b>6</b>	<b>17</b>	<b>46</b>
(Pur)/Sale of Investments	0	0	241	89	-31	0	0	0
Others	26	-465	-87	36	-45	15	15	16
<b>CF from Investments</b>	<b>-48</b>	<b>-565</b>	<b>-116</b>	<b>-333</b>	<b>-286</b>	<b>-165</b>	<b>-165</b>	<b>-164</b>
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	-27	-30	-32
Others	-29	-88	0	36	-5	0	0	0
<b>CF from Fin. Activity</b>	<b>-120</b>	<b>563</b>	<b>103</b>	<b>281</b>	<b>66</b>	<b>-29</b>	<b>-30</b>	<b>-33</b>
<b>Inc/Dec of Cash</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>36</b>	<b>99</b>	<b>-8</b>	<b>1</b>	<b>30</b>
Opening Balance	4	5	5	6	6	109	102	102
<b>Closing Balance</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>42</b>	<b>105</b>	<b>102</b>	<b>102</b>	<b>132</b>

## RIL: Standalone financials and valuations

### Standalone - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Total Income from Operations</b>	<b>3,370</b>	<b>2,457</b>	<b>4,237</b>	<b>5,393</b>	<b>5,345</b>	<b>5,073</b>	<b>5,034</b>	<b>5,085</b>
Change (%)	-9.3	-27.1	72.5	27.3	-0.9	-5.1	-0.8	1.0
<b>EBITDA</b>	<b>528</b>	<b>335</b>	<b>523</b>	<b>668</b>	<b>743</b>	<b>568</b>	<b>666</b>	<b>674</b>
Margin (%)	15.7	13.6	12.3	12.4	13.9	11.2	13.2	13.2
Depreciation	97	92	103	112	177	183	198	201
<b>EBIT</b>	<b>431</b>	<b>243</b>	<b>420</b>	<b>556</b>	<b>566</b>	<b>385</b>	<b>469</b>	<b>473</b>
Int. and Finance Charges	121	162	91	126	134	116	116	116
Other Income	136	148	139	111	121	144	130	125
<b>PBT bef. EO Exp.</b>	<b>446</b>	<b>229</b>	<b>468</b>	<b>541</b>	<b>553</b>	<b>412</b>	<b>482</b>	<b>482</b>
EO Items	-42	43	0	12	0	0	0	0
<b>PBT after EO Exp.</b>	<b>403</b>	<b>272</b>	<b>468</b>	<b>553</b>	<b>553</b>	<b>412</b>	<b>482</b>	<b>482</b>
Total Tax	94	-47	77	111	132	102	120	119
Tax Rate (%)	23.3	-17.4	16.5	20.1	23.9	24.8	24.8	24.8
<b>Reported PAT</b>	<b>309</b>	<b>319</b>	<b>391</b>	<b>442</b>	<b>420</b>	<b>310</b>	<b>363</b>	<b>362</b>
<b>Adjusted PAT</b>	<b>335</b>	<b>273</b>	<b>391</b>	<b>430</b>	<b>420</b>	<b>310</b>	<b>363</b>	<b>362</b>
Change (%)	-4.7	-18.5	43.1	10.0	-2.2	-26.2	16.9	-0.1
Margin (%)	9.9	11.1	9.2	8.0	7.9	6.1	7.2	7.1

### 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	5,252	5,533	5,807
<b>Net Worth</b>	<b>3,912</b>	<b>4,745</b>	<b>4,715</b>	<b>4,791</b>	<b>5,151</b>	<b>5,387</b>	<b>5,668</b>	<b>5,943</b>
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
<b>Capital Employed</b>	<b>6,391</b>	<b>6,720</b>	<b>6,969</b>	<b>7,289</b>	<b>7,631</b>	<b>7,867</b>	<b>8,149</b>	<b>8,423</b>
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
<b>Net Fixed Assets</b>	<b>3,065</b>	<b>3,068</b>	<b>2,396</b>	<b>2,823</b>	<b>2,996</b>	<b>3,027</b>	<b>3,229</b>	<b>3,428</b>
Capital WIP	280	328	347	544	616	903	1,003	1,103
<b>Total Investments</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>3,701</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>1,454</b>	<b>1,851</b>	<b>1,933</b>	<b>2,298</b>	<b>2,040</b>	<b>1,871</b>	<b>1,838</b>	<b>1,829</b>
Inventory	388	374	459	848	851	808	801	810
Account Receivables	75	42	144	241	147	140	139	140
Cash and Bank Balance	85	56	217	610	692	587	570	546
Loans and Advances	907	1,379	1,113	599	349	337	327	334
<b>Curr. Liability &amp; Prov.</b>	<b>3,326</b>	<b>2,001</b>	<b>1,795</b>	<b>1,887</b>	<b>1,722</b>	<b>1,634</b>	<b>1,622</b>	<b>1,638</b>
Account Payables	3,301	1,977	1,770	1,864	1,695	1,609	1,596	1,613
Provisions	25	24	25	23	27	25	25	25
<b>Net Current Assets</b>	<b>-1,872</b>	<b>-150</b>	<b>138</b>	<b>411</b>	<b>318</b>	<b>237</b>	<b>216</b>	<b>191</b>
<b>Appl. of Funds</b>	<b>6,391</b>	<b>6,720</b>	<b>6,969</b>	<b>7,289</b>	<b>7,631</b>	<b>7,867</b>	<b>8,149</b>	<b>8,423</b>



## RIL: Standalone financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>26.4</b>	<b>21.2</b>	<b>28.9</b>	<b>31.8</b>	<b>31.1</b>	<b>22.9</b>	<b>26.8</b>	<b>26.8</b>
Cash EPS	34.1	28.3	36.5	40.0	44.1	36.4	41.4	41.6
BV/Share	308.6	368.1	348.5	354.0	380.7	398.1	418.9	439.2
<b>Valuation (x)</b>								
P/E	49.6	61.9	45.4	41.3	42.2	56.7	48.5	48.6
Cash P/E	38.5	46.3	36.0	32.8	29.7	35.7	31.4	31.2
P/BV	4.3	3.6	3.8	3.7	3.4	3.3	3.1	3.0
EV/Sales	5.5	7.5	4.6	3.6	3.6	3.8	3.8	3.8
EV/EBITDA	35.1	55.3	37.2	28.9	25.8	33.7	28.7	28.4
Dividend Yield (%)	0.2	0.2	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	-4.3	3.7	4.0
<b>Return Ratios (%)</b>								
RoE	8.4	6.3	8.3	9.0	8.5	5.9	6.6	6.2
RoCE	7.5	7.5	7.1	7.8	7.4	5.4	5.9	5.7
RoIC	24.1	14.4	13.6	18.0	16.4	10.9	12.7	12.0
<b>Working Capital Ratios</b>								
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	0.6	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
<b>Leverage Ratio (x)</b>								
Current Ratio	0.4	0.9	1.1	1.2	1.2	1.1	1.1	1.1
Interest Cover Ratio	3.6	1.5	4.6	4.4	4.2	3.3	4.0	4.1
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	412	482	482
Depreciation	97	92	103	112	177	183	198	201
Interest & Finance Charges	121	162	91	126	134	116	116	116
Direct Taxes Paid	-53	-17	-15	-49	-92	-102	-120	-119
(Inc)/Dec in WC	335	-320	138	-60	78	-24	4	0
Others	-129	-194	-111	-131	-110	-144	-130	-125
<b>CF from Operations</b>	<b>775</b>	<b>-5</b>	<b>675</b>	<b>553</b>	<b>740</b>	<b>442</b>	<b>550</b>	<b>555</b>
(Inc)/Dec in FA	-232	-218	-181	-292	-342	-500	-500	-500
<b>Free Cash Flow</b>	<b>544</b>	<b>-223</b>	<b>493</b>	<b>262</b>	<b>398</b>	<b>-58</b>	<b>50</b>	<b>55</b>
(Pur)/Sale of Investments	-1,309	1,202	-563	-10	-170	0	0	0
Others	105	-242	292	223	129	144	130	125
<b>CF from Investments</b>	<b>-1,436</b>	<b>743</b>	<b>-453</b>	<b>-78</b>	<b>-383</b>	<b>-356</b>	<b>-370</b>	<b>-375</b>
Inc/(Dec) in Debt	118	-181	-238	117	-44	0	0	0
Interest Paid	-145	-143	-110	-140	-169	-116	-116	-116
Dividend Paid	-46	-39	-43	-51	-61	-74	-81	-88
<b>CF from Fin. Activity</b>	<b>708</b>	<b>-766</b>	<b>-60</b>	<b>-74</b>	<b>-275</b>	<b>-191</b>	<b>-198</b>	<b>-204</b>
<b>Inc/Dec of Cash</b>	<b>47</b>	<b>-29</b>	<b>161</b>	<b>401</b>	<b>82</b>	<b>-105</b>	<b>-17</b>	<b>-24</b>
Opening Balance	38	84	56	217	610	692	587	570
<b>Closing Balance</b>	<b>85</b>	<b>56</b>	<b>217</b>	<b>610</b>	<b>692</b>	<b>587</b>	<b>570</b>	<b>546</b>

## RIL: Consolidated financials and valuations

Consolidated - Income Statement								(INR b)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<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>9,322</b>	<b>9,784</b>	<b>10,458</b>
Change (%)	5.2	-21.8	49.9	25.6	2.5	3.5	5.0	6.9
<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>7,664</b>	<b>7,851</b>	<b>8,286</b>
% of Sales	85.2	82.7	84.2	83.8	82.0	82.2	80.2	79.2
<b>EBITDA</b>	<b>882</b>	<b>807</b>	<b>1,105</b>	<b>1,429</b>	<b>1,622</b>	<b>1,658</b>	<b>1,933</b>	<b>2,172</b>
Margin (%)	14.8	17.3	15.8	16.2	18.0	17.8	19.8	20.8
Depreciation	222	266	298	403	508	546	596	640
<b>EBIT</b>	<b>660</b>	<b>542</b>	<b>807</b>	<b>1,026</b>	<b>1,114</b>	<b>1,112</b>	<b>1,337</b>	<b>1,532</b>
Int. and Finance Charges	220	212	146	196	231	233	234	239
Other Income	140	163	149	118	161	185	175	177
<b>PBT bef. EO Exp.</b>	<b>579</b>	<b>493</b>	<b>810</b>	<b>948</b>	<b>1,043</b>	<b>1,064</b>	<b>1,279</b>	<b>1,470</b>
EO Items	-44	56	28	0	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>1,064</b>	<b>1,279</b>	<b>1,470</b>
Total Tax	137	17	163	207	257	250	300	345
Tax Rate (%)	25.7	3.1	19.4	21.8	24.6	23.5	23.5	23.5
Minority Interest	-1	41	69	74	90	123	147	181
<b>Reported PAT</b>	<b>399</b>	<b>491</b>	<b>607</b>	<b>667</b>	<b>696</b>	<b>692</b>	<b>832</b>	<b>944</b>
<b>Adjusted PAT</b>	<b>432</b>	<b>437</b>	<b>584</b>	<b>667</b>	<b>696</b>	<b>692</b>	<b>832</b>	<b>944</b>
Change (%)	8.4	1.1	33.8	14.2	4.4	-0.7	20.2	13.5
Margin (%)	7.2	9.4	8.3	7.6	7.7	7.4	8.5	9.0

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	8,417	9,167	10,023
<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>8,552</b>	<b>9,302</b>	<b>10,158</b>
Minority Interest	122	993	1,095	1,130	1,323	1,446	1,593	1,774
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
<b>Capital Employed</b>	<b>8,257</b>	<b>10,790</b>	<b>12,578</b>	<b>14,469</b>	<b>14,570</b>	<b>15,270</b>	<b>16,128</b>	<b>17,125</b>
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	4,248	4,843	5,483
<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>10,445</b>	<b>11,569</b>	<b>12,288</b>
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
<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>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>4,253</b>	<b>4,657</b>	<b>5,392</b>
Inventory	739	817	1,078	1,400	1,528	1,580	1,659	1,773
Account Receivables	197	190	236	285	316	327	343	367
Cash and Bank Balance	309	174	362	747	972	971	1,213	1,710
Loans and Advances	1,229	1,711	1,375	1,167	1,329	1,374	1,443	1,542
<b>Curr. Liability &amp; Prov.</b>	<b>3,402</b>	<b>2,422</b>	<b>2,419</b>	<b>2,666</b>	<b>2,990</b>	<b>3,172</b>	<b>3,423</b>	<b>3,771</b>
Account Payables	968	1,089	1,593	1,472	1,784	1,845	1,937	2,070
Other Current Liabilities	2,392	1,277	788	1,157	1,164	1,283	1,440	1,652
Provisions	41	56	38	38	42	44	46	49
<b>Net Current Assets</b>	<b>-928</b>	<b>470</b>	<b>632</b>	<b>932</b>	<b>1,155</b>	<b>1,081</b>	<b>1,235</b>	<b>1,621</b>
<b>Appl. of Funds</b>	<b>8,257</b>	<b>10,790</b>	<b>12,578</b>	<b>14,469</b>	<b>14,570</b>	<b>15,270</b>	<b>16,128</b>	<b>17,125</b>

## RIL: Consolidated financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>34.1</b>	<b>33.9</b>	<b>43.2</b>	<b>49.3</b>	<b>51.4</b>	<b>51.1</b>	<b>61.5</b>	<b>69.8</b>
Cash EPS	51.6	54.5	65.2	79.1	89.0	91.5	105.5	117.0
BV/Share	354.3	543.2	576.1	606.8	586.4	632.0	687.4	750.7
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	10.8	9.8	0.0
<b>Valuation (x)</b>								
P/E	38.5	38.7	30.4	26.6	25.5	25.7	21.3	18.8
Cash P/E	25.4	24.1	20.1	16.6	14.7	14.3	12.4	11.2
P/BV	3.7	2.4	2.3	2.2	2.2	2.1	1.9	1.7
EV/Sales	1.9	2.3	1.7	1.4	1.4	1.3	1.2	1.1
EV/EBITDA	12.7	13.3	10.6	8.8	7.7	7.5	6.3	5.4
Dividend Yield (%)	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.0
FCF per share	-22.1	14.3	-18.3	22.8	15.8	0.0	0.0	0.0
<b>Return Ratios (%)</b>								
RoE	10.3	7.6	7.9	8.3	8.6	8.4	9.3	9.7
RoCE	8.3	8.0	7.5	7.5	7.6	7.7	8.6	9.2
RoIC	13.7	10.7	10.6	11.5	10.9	9.1	9.1	9.7
<b>Working Capital Ratios</b>								
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
<b>Leverage Ratio (x)</b>								
Current Ratio	0.7	1.2	1.3	1.3	1.4	1.3	1.4	1.4
Interest Cover Ratio	3.0	2.6	5.5	5.2	4.8	4.8	5.7	6.4
Net Debt/Equity	0.6	0.3	0.4	0.5	0.5	0.4	0.4	0.3

### Consolidated -Cash Flow Statement

(INRb)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
PBT	536	555	839	948	1,043	1,064	1,279	1,470
Depreciation	222	266	298	403	508	546	596	640
Tax paid	-84	-32	-38	-207	-257	-250	-300	-345
Change in deferred tax liability	0	0	0	0	119	0	0	0
Change in net working capital	219	-507	7	-196	64	33	49	71
Misc	87	-19	1	202	110	-123	-147	-181
<b>Operating cash flow</b>	<b>981</b>	<b>262</b>	<b>1,107</b>	<b>1,150</b>	<b>1,588</b>	<b>1,271</b>	<b>1,476</b>	<b>1,654</b>
Capex	-756	-1,035	-970	-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
<b>Investing cash flows</b>	<b>-757</b>	<b>-1,416</b>	<b>-1,092</b>	<b>-870</b>	<b>-1,143</b>	<b>-1,320</b>	<b>-1,300</b>	<b>-1,250</b>
Change in borrowings	356	-837	99	381	266	0	0	0
Misc	-337	-241	-285	-231	-372	123	147	181
Issuance of equity	1	2,136	402	5	0	0	0	0
Others	-335	1,895	117	-225	-372	123	147	181
Dividend paid	-46	-39	-43	-51	-61	-74	-81	-88
<b>Financing cash flow</b>	<b>-25</b>	<b>1,019</b>	<b>173</b>	<b>105</b>	<b>-166</b>	<b>48</b>	<b>66</b>	<b>93</b>
Net change in cash	198	-135	188	385	278	-1	242	497
Closing cash balance	309	174	362	747	972	971	1,213	1,710

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SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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